Sample Overview of the:

Financial Coaching Standards & **Code of Conduct**

National Financial Educators Council

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Statement of Purpose

The objective of the Financial Coaching Standards & Code of Conduct is to share benchmarks with the financial coaching industry that will assist financial coaches, counselors, and consultants to become more effective and serve their clients' best interests. The release of these guidelines aims to address the gap in published standards specific to financial coaches

The NFEC's financial coaching standards offer the following benefits:

- Framework to improve the quality and impact of financial coaching
- Resource for hiring and recruiting financial coaches
- Clear performance evaluation criteria for financial coaches
- Framework and credentials for financial consultants seeking professional development
- Common language as a resource to improve communication, education, and professional standards
- Tools for coaches' preparation, performance measures, and self-assessment
- Awareness tool to highlight the importance of highly-skilled financial counselors
- Public assurance that financial coaches are held to the highest standards of practice

State of the Financial Coaching Industry

Giving instructors a framework to guide professional practice is common in many fields – education, financial services, accounting, law, and medicine, for example. Yet until now the financial coaching industry has lacked guidelines for financial coaches. It is our mission to bring the Financial Coaching profession up to the standards of the component occupations of which the profession is comprised.

Currently, the Financial Coaching industry is not formally regulated. Two to three decades ago, the Financial Planning and Financial Advising professions were in a similar situation. This lack of standards lies in stark contrast to the Financial Advising and Financial Planning industries, which are tightly bound by agencies such as the Financial Industry Regulatory Authority (FINRA), the Federal Trade Commission (FTC), and the Securities and Exchange Commission (SEC), in addition to state-level regulation and licensing of the insurance components of those professions.

The Risks Unqualified Financial Coaches

Anyone can call oneself a “financial coach,” “financial counselor,” or “financial consultant.” There is no government regulation of the industry. As a result, many individuals currently serving in the field lack training and knowledge about coaching best practices. This lack puts clients at risk of working with coaches who may not possess the competencies to serve their interests.

Under-qualified or poorly-performing financial coaches may put their clients at risk for future economic disaster. In matters of personal finance, a single error can cost people significant time, money, and emotional stress. A money mistake can have impact on all areas of life, with consequences that can be severe. The effects of poor coaching can continue to affect clients’ lives for many years after their participation in the coaching program ends.

Our hope is to present standards that will protect coaching clients and provide financial coaches with the necessary framework to work toward becoming distinguished providers of financial coaching services. Coaches who follow the NFEC Guidelines will help ensure that clients’ needs and best interests lie at the foundation of the coaching-client relationship. Clients will gain an additional level of trust and confidence in their coaches if they can be assured that the coach always has the client’s best interests at heart.

Financial Coaching Requires Unique Skill Sets

Financial coaching is a unique field that requires specialized expertise. The quality of a financial coach directly influences clients' finances, both short- and long-term. It is the financial coach's responsibility to act in the client's best interests; to do so, they must follow industry guidelines and possess the skill sets and knowledge to coach effectively.

Unlike other areas of one's life, the topic of money elicits emotional reactions in people – emotions which may range from excitement to anxiety to shame. Each participant in a financial coaching program brings his or her own experience, emotions, and relationship with money into the coaching relationship. Coaches must understand and respect these emotional reactions to succeed in helping participants choose the best path to work toward financial wellness.

To serve clients best, coaches must possess cross-disciplinary skills from several areas and draw upon the standards which have been set for various industries. Therefore, to inform these coaching standards we reviewed guidelines from the following industries: financial/consumer protection, education, psychology/counseling, financial education, and consulting/coaching.

Being a qualified and distinguished financial coach requires more than just gaining knowledge about personal finances and sharing that information with clients. Coaches also must become well-versed in behavioral psychology, research-based education methodologies, counseling strategies, industry regulations, and clear systems and processes for serving clients.

Financial Coaching Standards & Code of Conduct Overview

This document will cover common standards for the coaching-client relationship as it relates to personal finance, as well as more general issues outside of the financial realm. The guidelines include both ethical and practical standards, and additional topics pertaining to professional development in the coaching industry.

The NFEC Coaching Guidelines are divided into three main sections, each of which plays a separate but pivotal role in ensuring that coaches provide the best possible guidance and service to their clients. These three sections outline ethical standards, practice standards, and professional standards.

The first section focuses on Ethical Standards. Ethics form the bedrock of many professions, from business and finance experts to doctors, counselors, psychologists, and teachers. We want to ensure that all financial coaches understand the ethical standards that should guide them in their coaching decision-making and actions.

The Ethical Standards section presents guidelines in each of the following areas: Fiduciary Rule Standards, Confidentiality and Security, Professionalism, Record-keeping, and Handling Ethical Issues. References drawn from various professional associations are provided for each topic.

The next section represents Practice Standards for financial coaches. These guidelines are more specific to the financial coaching profession, and should help coaches distinguish the role(s) they should serve for their clients. These standards do not identify specific courses of action, but rather provide a framework that can be applied to all clients served, independent of their unique financial situations.

The Practice Standards section covers six areas: Defining the Client Relationship, Disclosure of Information, Understanding Clients, Establishing Benchmarks, Client Education, and Making Modifications. Each of these areas should be addressed with all clients, regardless of their circumstances.

The final section covers Professional Standards. As in any profession, financial coaches should always seek to enhance their practical knowledge base over time through a variety of means. This ongoing professional development should include: Professionalism, Continuing Education, Monitoring Program Effectiveness, Researching New Developments, and Seeking Feedback. Each area will help ensure that clients receive the best possible coaching service and guidance, both currently and as their future circumstances and developments unfold. This section also covers financial coach Representation and Marketing practices.

Ethical Standards

Introduction

The ethical standards section provides assurance to financial coaching clients and sets expectations for the financial coach to practice responsibly. These standards offer guidelines that should guide coaches in their decision-making and actions, and help clients better understand the financial coach's responsibilities.

The cornerstone of the ethical standards is the stipulation that financial coaches have fiduciary responsibility to their clients and act in each client's best interests. This responsibility underpins the other standards outlined in this section; every financial coaching decision should be made with fiduciary responsibility to the client in mind.

Within the Ethical Standards section we present guidelines for each of the following areas: Fiduciary Rule Standards, Confidentiality and Security, The Coaching Role, Record-keeping, and Handling Ethical Issues. Each area includes references to various professional associations and the NFEC's guidelines by which Certified Personal Finance Wellness Consultants must abide.

Fiduciary Standards

Introduction

As a guiding principle, financial coaches should always act exclusively in their clients' best interests. This notion is known as the fiduciary standard, and applies throughout the financial industry.

Adhering to the fiduciary standard may seem like common sense practice. However, a significant amount of recent debate has deliberated exactly which individuals are covered by this rule.

Previously, only financial or investment advisers who charged fees for advice (as opposed to commissions) were considered fiduciaries. There are regularly pending regulations across many different departments and agencies – at both the state and federal levels – that would significantly expand the scope of the Fiduciary Rule to include all investment and financial advisers, brokers, and planners.

In summary, the Fiduciary Rule shouldn't place significant restrictions on the way financial coaches conduct business with their clients – providing that they are already adhering to the proper guidelines within their professions. Top-performing coaches already act in their clients' best interests when providing education and guidance to help them make the proper decisions to achieve their financial goals.

NFEC Standards

Financial Coaches should accept fiduciary responsibility

a. Coaches act in the best interests of their clients.

b. Coaches proactively identify and avoid any conflicts of fiduciary duties.

Coaches must separate other outside business activities.

a. If a coach offers different services to their clients, separation of services must be clearly distinguished, and those services should be disclosed.

b. Financial service or product providers cannot receive double compensation. Coaching time and other compensation must not overlap.

Do not make referrals for compensation. Coaches can educate, share options, point clients in the right direction for research, or conduct research on their clients' behalf and provide them with the research reports.

a. Coaches cannot receive compensation or economic benefit from any person or organization to which they refer their clients.

b. The client's best interest is the sole reason for a referral to another professional or organization.

Confidentiality and Security

Introduction

Financial advisers, planners, and other industry professionals – financial and otherwise – are bound by very strict guidelines pertaining to securing clients’ personal information and confidentiality. Financial coaches are no exception, and coaches must make every effort to protect client information.

The CFP Board sums up the security principle well for its financial planners, stating that “information is accessible only to those authorized to have access.” That statement may sound obvious, but this point helps reaffirm the importance of protecting and valuing clients’ information at all times.

The FTC imposes a broad-based Safeguards Rule which applies to nearly all financial services professionals. Although financial coaches are not specifically mentioned in the rule, it remains important that coaches follow the Safeguard Rule.

The Safeguard Rule takes the confidentiality principle a step farther. The Rule, as the FTC indicates, “requires companies to develop a written information security plan that describes their program to protect customer information. The plan must be appropriate to the company’s size and complexity, the nature and scope of its activities, and the sensitivity of the customer information it handles.” While most financial coaches are likely to be in business for themselves as individuals as opposed to being a company, the Rule still should apply to all coaches.

NFEC Standards

Secure clients' information and properly handle sensitive information.

a. Protect and dispose of information in accordance with the Federal Trade Commission's Safeguard Rule.

Coaches must screen all employees, contractors, and others who handle client information.

a. Conduct a multi-jurisdictional background check on any individuals in your organization who have access to sensitive client information.

Coaches hold client information in confidence.

a. A coach never shares information about a client with others outside the company (coaching service).
b. Information is only shared about clients with other employees, contractors, or others in your organization on a need-to-know basis.
c. Client case studies must protect clients' identities. Testimonials can only identify clients with written permission and full disclosure of how the information will be used.

The Coaching Role

Introduction

There is a fine line between giving guidance to a client and providing advice. The distinction between these two words – guidance and advice – is vitally important. It is imperative that financial coaches understand the full scope of this distinction when working with clients.

Guidance is the foundation of what financial coaches do. Guidance represents the process of assisting clients in need of financial direction through various means. This process may include understanding their needs, directing them to educational material, helping them with activities, assisting them to prioritize objectives, offering options, or providing education and direction to help them with their stated goals. Guidance can also include building a roadmap for a client, to help him or her down the path toward financial wellness. It can even include listening to clients and offering affirmations to confirm that they are doing the right (or wrong) thing.

Advice, in contrast, goes well beyond guidance in that the financial professional (not coach) provides actual recommendations upon which the client should act. The adviser does not implement the actions, but do the legwork to process the client's information and come to a suitable recommendation. The right to give financial advice requires extensive experience and accreditation, experience upon which the advisor draws to give proper recommendations.

The process of giving financial advice typically does include some level of guidance. However, guidance should never include advice. The essential definition of guidance is that the decision is left up to the client, given the information you make available to them.
A clear line is drawn on advice that concerns investments, legal, tax, financial products, and other situations where other jurisdiction is responsible for oversight. No advice can be given in any of these instances. Legal and ethical responsibilities in these cases are governed by other industries and your actions may be in violation of their rules. The consequences of giving advice in such instances can range from fines and public exposure to jail time.

NFEC Standards

A financial coach does not provide advice concerning investments or financial products.

a. Coaching professionals must never give advice on investments, financial products, legal questions, taxes, or any other advice that directs participants toward a particular product, vehicle, investment, legal or tax decision. When clients have such needs, coaches can direct them to education and where to locate licensed professionals in the relevant industry.

A financial coach provides guidance on personal financial matters, not advice.

a. Both advice and guidance are given by someone regarded as knowledgeable or authoritative. Following are the differences between the terms:
   - Advice. Providing specific recommendations for specific action to be taken. Advice is an opinion or recommendation offered to direct action or conduct.
   - Guidance. Sharing expertise and directing clients toward resources and education that can help them make decisions based on their personal goals. Guidance is the act or process of pointing clients through education, research, reflection, and other ways to help them make their own decisions.

In the role of a financial coach, a licensed financial service professional may never provide any investment advice.

a. Licensed financial service professionals can work as financial coaches and provide clients both coaching and investment services. This relationship must be disclosed and follow the Fiduciary Standards.
b. If a financial coach is also a licensed financial services professional in another area, he or she can give advice if the industry that governs those financial services allows advice; but not when acting in the financial coach role.
c. With financial service professionals, the standards of their financial services industry supersedes the coaching standards

Record-keeping

Introduction

Documenting and maintaining all client encounters – both financial and informational – are essential to ensuring compliance with the standards for a financial coach. In the event of a formal client complaint, it is vital that coaches have all relevant documentation from that particular client relationship. Keeping accurate records also helps ensure transparency and integrity for the coaching-client relationship.

The financial industry poses some existing requirements regarding proper protocol for keeping and maintaining records. The SEC provides a strict set of requirements for financial advisers and brokers to maintain records for six years. The IRS and various state laws governing insurance products suggest maintaining records for up to 10 years.

NFEC Standards

Maintain complete and organized records.

a. Records to be maintained by coaching principle for six years.

b. Records to be maintained include, but are not limited to: personal financial plans, progress reports, client communication, coaching meeting logs, notes and reports on client situation.

Records listed in the FTC Safeguard Rules are not to be maintained and will be disposed of in accordance with those guidelines.

a. Records not to be maintained include, but are not limited to: any items that pose a security risk to clients, account numbers, personal account information, and other items covered in the Safeguard Rule. These items are to be disposed of according to the guidelines in the Confidentiality section.

Addressing Issues

Introduction

Reporting and complying with standards for handling any ethical wrongdoing is essential to upholding the integrity of the financial coaching profession. Proactively dealing with any issues that arise represents best practice for coaches to maintain a positive reputation among clients and the public at large.

When problems arise, maintaining communication and reporting the issues are a financial coach's primary responsibilities. All issues raised and ethical violations should be addressed in a timely manner with the National Financial Educators Council and with the client.

NFEC Standards

Report any ethical violations or illegal activities committed by other financial professionals to your clients.

a. Report to the financial professionals' governing body and appropriate enforcement officials.

Report all client complaints to the coaching certifying entity.

a. Report in a timely manner in writing to the certifying body. If the NFEC is the certifying body, conflicts must be reported to the NFEC within five business days.

Financial coach should terminate any client relationship if illegal activities have been involved.

a. Comply with authorities when legal notice is given

Practice Standards

Introduction

Practice standards provide a framework that can be applied to all clients served, independent of his/her financial situation. These standards are designed to guide financial coaches, to ensure that they fulfill their professional responsibilities, and to outline the duties a coach performs when serving clients.

The Practice Standards cover six areas: Defining the Client Relationship, Disclosure of Information, Understanding Clients, Establishing Benchmarks, Client Education, and Making Modifications. Each of these areas should be addressed with all clients, regardless of the circumstances.

Defining the Client Relationship

Introduction

Upon first meeting, most clients will not understand everything a financial coach does or which duties coaches do not perform. Therefore, it is up to the coach to clearly communicate with the client the specific services coaches are able to provide, and which services they are unable to offer. Many clients are unlikely to need or want all services a coach can provide. Some may only need assistance with budgeting or help to improve their credit scores. Therefore, it is up to the coach to clearly specify the scope of the relationship prior to providing any services.

However, it is important to note that the coach must take this process a step further than mere verbal disclosure. Discussing and clarifying services is the first step in defining the relationship; for the relationship to proceed, its parameters must be written and signed by both the coach and the client.

It is also acceptable for coaches to include what will not be provided, to increase transparency with the client.

A signed agreement must be entered into before coaching services begin or a fee is collected. Failure do so will result in negative action against the Coach.

NFEC Standards

Financial coaches must disclose in writing their role and responsibilities as coaches. A clearly-defined scope of services must be disclosed in writing prior to starting the coaching relationship. This defined agreement document will be drafted and mutually accepted by both coach and client. The document will outline the parameters of the coaching relationship and serve as a reference for all parties involved. Coach and client alike shall be legally and ethically bound by the agreement.

The agreement must contain:

a. The services a coach provides, clearly defined and outlined. Provide clear, honest descriptions of the services you provide in the coaching relationship.
b. A clear pricing structure for coaching services, including payment terms and conditions.
c. Potential conflicts of interest (disclosures).
d. Term of engagement, and whether termination of agreement will be triggered by time elapsed or goal achievement.
e. Reasons for termination of relationship other than completion of a goal or expiration of the term.

Disclosure of Information

Introduction

A financial coach should not expect clients to ask all pertinent questions prior to entering the coaching relationship. On many matters, it will be up to coaches to properly disclose situations or conflicts which could present an issue down the road.

Disclosures should list any outside business activities related to financial services and any potential conflicts of interest. These disclosures should include any mutual relationships between the two parties, industry professionals with whom coaches have personal contacts, or personal holdings of relevance owned by coaches.

The coach should opt for transparency on all relevant situations. It is up to coaches to be aware of, and properly account for, any situation that has potential to present a conflict of interest with the client.

As client situations naturally evolve over the course of the coaching relationship, it may become necessary at times to file a new disclosure to reflect the current landscape. Therefore the Coach should provide written disclosures of changes in relationship, scope, service, etc. at pivotal points in the coaching relationship, whenever a relevant change of situation warrants such disclosure.

NFEC Standards

The coach must provide written disclosures of potential conflicts of interest related to the coaching practice in advance of payment from a client.

a. Verbal and written disclosures should be provided in advance of the client agreement.
b. Verbal and written disclosures should be made again immediately in the conversation if discussions turn to potential areas where conflict of interest may exist.

Outside business activities should be disclosed both verbally and in writing when they are relevant to the coaching relationship.

a. Verbal and written disclosures should be provided in the scope of services to apprise the client of any outside business activities in which the coach is involved.
b. Verbal and written disclosures should be made again immediately in the conversation when discussions turn to outside business activities in which the coach is involved.

Understanding Clients

Introduction

In order to provide the best possible coaching services, it is essential for coaches to know their clients. Understanding clients requires obtaining both quantitative and qualitative information.

Quantitative information is essential for coaches to understand their clients' baseline situation, and for helping them to develop and ultimately meet their goals. Gathering quantitative data may require reviewing clients' income statements, tax returns, credit reports, and other information that can be verified without being subject to client bias. Qualitative information might include clients' feedback or assessment of their own finances, such as how they feel about their debt, their philosophies on funding their children's education, and the age at which they would like to retire.

This combination of "hard data" and "soft data" will help coaches form a complete picture of clients, their situations, and their goals. Achieving these goals is the desired outcome of coaching, and thus data-gathering is critical to coaching success.

Failure to make reasonable efforts to collect relevant information about each client will place the coach in violation of basic coaching precepts and subject to discipline.

NFEC Standards

Coaches must allocate time to understanding each client's goals.

a. Short-, mid-, and long-term goals should be explored early in the coaching relationship.

b. The coaching plan should be designed and customized to meet each individual client's goals.

Coaches will leverage quantitative and qualitative information to better understand each client's current financial situation.

a. Coaches should actively seek ways to support information provided by the client with evidence that can be measured.

Coaches must allocate time to understanding each client's financial behaviors, sentiment concerning finances, and interest in modifying his or her behaviors.

a. Surveys and interviews should be employed to gather relevant data, and each client's financial story should be reviewed and assessed by the coach.

Coaches will provide guidance only after they understand an individual's goals, financial situation, and psychological factors.

a. Personalized guidance should only be provided after the coach understands the client's unique needs and position.

Establishing Benchmarks

Introduction

As discussed in the last section, coaches should elicit a variety of information from each client in order to develop a thorough understanding of the client's wants and needs. From that starting point, coaches can begin to help clients define their financial goals.

In order to maximize a client's likelihood of reaching his or her financial goals, it is imperative that coaches work with the client to specify goals as clearly as possible. This specification should include amounts or numbers wherever possible. Having a defined numerical target to reach will make the client's progress toward the ultimate goal more tangible.

Another important facet of well-defined goals is setting appropriate time frames. The time frame will vary depending on the particular objective, but defining a time horizon up front will guide development of an appropriate plan of action. In many cases, having incremental sub-goals may be of great value to the client. These small, achievable steps will hold clients accountable and give them positive reinforcement as they work toward their longer-term goals.

NFEC Standards

Set clear benchmarks with clients to clearly define the target and time frame.

a. Goals should be established based on the client's financial situation, capabilities, psychology, and goals.

b. A timeline of the benchmarks should be specified that reflects agreed-upon due dates for goal accomplishment.

Benchmarks should be measured and updated as needed.

a. Coaches should use both qualitative and quantitative measures to evaluate clients' progress toward established benchmarks.

b. If the coaching engagement lasts over a period of time, the coach should monitor progress towards benchmarks and make alterations as needed.

Client Education

Introduction

The financial coach's primary role is that of educator. Coaches take time to understand each client's situation, diagnose any issues, and provide guidance on the educational path that will best help the client meet his or her goals.

Like any educational pursuit, the process of learning personal finance takes time. It is an ongoing endeavor, with many opportunities to learn and relearn positive financial behaviors. Keeping this perspective in mind, it is up to financial coaches to facilitate clients through the learning process. Coaches should recognize prime opportunities to educate (or re-educate) clients in areas where they may have trouble. Many of these opportunities could come long after the initial stages of the relationship, when the client may be overloaded with information.

NFEC Standards

Promote clients' financial education and work toward progressing them toward higher-level thinking on personal finance topics.

a. Meet standards set by the Framework for Teaching Personal Finance.

b. Offer training to improve clients' financial capabilities and facilitate positive behavior adoption.

c. Assign tailored education based on each client's unique needs.

Include financial education throughout the relationship to support clients' abilities to make qualified financial decisions.

a. A financial coach acts as a financial educator throughout the coaching process.

Use financial education materials that meet educational standards, do not promote any specific financial products or government agendas, and are ad-free.

a. The client education experience should be free of marketing or sales of any products or political agendas.

Making Modifications

Introduction

Many financial professionals – including advisers and planners – keep clients for very long periods of time, through the changes that accompany major life events and through multiple life stages. For financial coaches, the client relationship goes through a similar process, but across a greater number of variables for both client and coach.

Clients' situations will change over time. Clients may need to focus on different aspects of their finances to account for changing goals; they may no longer need to work with a financial coach; or they may experience a variety of other changes which will require a modification in the coaching relationship.

A good financial coach will work with clients until they have demonstrated the behaviors and skills they need to stay on track toward achieving financial well-being. In some cases this process may only take a few hours; in others a few years; while still others may prefer to have a life-long trusted financial partner. Whatever the situation, coaches should recognize when changes to the relationship are needed and make appropriate client modifications.

NFEC Standards

Coaches provide progress reports at set times to show clients' progression.

a. Timely reporting should be provided to clients and reviewed by the coach at set intervals.
b. Appropriate intervals are determined according to each client's individual situation.

Modifications to the client's plan or relationship should be considered as data are gathered.

a. A coach should evaluate data and make modifications with the client to account for any changes or new information.

Professional Standards

Introduction

Maintaining high professional standards will help to ensure that clients receive the best possible service and guidance, currently and as future circumstances and developments unfold. Adhering to high standards also helps coaches become recognized as professional providers of financial coaching services.

Financial coaches should always seek to enhance their knowledge base and skill sets, and stay up-to-date with changes in the industry through a variety of means. Continuing education, monitoring program effectiveness, researching new developments, and seeking feedback from clients are just a few ways in which coaches can follow professional standard guidelines. Coaches should allow time for self-reflection, professional growth, and participation in professional communities; and continually strive to make contributions to the profession as a whole.

Professionalism

Introduction

Many financial professionals – including advisers and planners – keep clients for very As a financial coach, you should take no action – professionally or personally – that you would have to explain to clients and ask their forgiveness. Following this rule of thumb almost always suits you well and protects your reputation as a coach.

The CFP Board includes professionalism as one of the seven core principles in its *Code of Ethics & Professional Responsibility*. The Code states that “professionalism requires behaving with dignity and courtesy to clients, fellow professionals and others in business-related activities.” Essentially, this principle means it is a collective responsibility on the part of everyone associated with the financial coaching industry to uphold the profession’s public image. Any individual action taken out of self-interest or disregard does damage to the profession as a whole.

The ACA also includes an extensive section on Professional Responsibility in its *Code of Ethics*. This agency’s code touches on many important aspects, including – but not limited to – competence, advertising and soliciting clients, qualifications, nondiscrimination, and public responsibility.

Financial coaches should always act in a manner that exhibits the highest regard for both the client and the coaching industry. This standard refers to behavior as well as competence. Adhering to this principle will garner the highest levels of respect and esteem for the financial coaching profession, as well as for the individual coach.

NFEC Standards

Demonstrate professionalism with clients.

a. Provide a top-quality customer experience by having systems and protocols in place to ensure that clients' coaching strategies are properly managed.

b. Treat clients respectfully and courteously.

Demonstrate a highly-professional public image.

a. Coaches should maintain a professional image that includes a positive online presence, high-quality materials, and ethical conduct.

Continuing Education

Introduction

Professionals across all fields are expected to consistently keep themselves informed regarding current knowledge in their field. This continued education includes staying up-to-date on recent developments that may have impact on their profession. Financial coaches are expected to adhere to this same professional standard.

Almost all the agencies cited here include sections on continuing education in their professional guidelines. While most professional standards do not lay out specific continuing education requirements, the fact that each refers to the need for ongoing learning stresses its importance in maintaining a top-quality professional reputation.

The CFP Board is one organization that does specify a continuing education requirement. CFP requires all its professional members to complete 30 hours of continuing education (CE) every two years. The courses that qualify for credit towards this requirement must be CFP Board-approved. Thus CFP represents an excellent example of an organization that takes the need for constant, ongoing education very seriously.

NFEC Standards

Coaches should pass coursework that demonstrates their coaching abilities.

a. Testing to pass the coursework should cover the standards set forth in this document.
b. Recognized credentials should be earned to provide public assurance of the coach's competencies.

Coaches should participate in regular training on topics that can improve their coaching abilities.

a. Courses should be vetted and reputable sources of information selected.

Coaches should stay up-to-date on changes to the financial markets and policies that affect their clients.

a. Monitoring the financial news should be a regular part of a financial coach's schedule.

Monitoring Program Effectiveness

Introduction

It is important for coaches to constantly seek ways to improve their practice. This commitment requires a willingness to take feedback from a variety of individuals, including clients and others in the financial coaching profession.

Feedback may come in the form of evaluations gathered from clients or other professionals. Coaches also may receive unsolicited feedback – another coach may provide input without being asked. In either case, coaches should view the information received as valuable and incorporate any feedback into their practice as appropriate.

The NBPTS emphasizes these points well in its *Core Propositions* guidelines. These guidelines discuss in-depth the importance not only of peer feedback, but also the need for self-awareness in the education process. This perspective certainly applies to financial coaching as well.

NFEC Standards

Coaches should evaluate their performance on an ongoing basis.

a. Their performance should be measured in terms of client feedback, clients' progress toward set milestones, and other areas related to clients' financial knowledge, behaviors, sentiment.

b. Both quantitative and qualitative analyses should be performed at regular times across all the coach's clients.

Coaches should use performance evaluations to make modifications that can improve their practice.

a. A consistent cycle of evaluation and modification is a trademark of qualified financial coaches.

Representation

Introduction

Financial coaching is a rather recent and developing profession. Due to its relative newness, there may be some misunderstandings among the greater population about the services and role of a financial coach.

To properly inform the public, it is critical for financial coaches to accurately represent themselves. Proper representation brings integrity and respectability to the coaching profession. Accurate representation includes a necessary distinction between financial coaching and the numerous other financial services to which people may be accustomed.

The ACA describes various elements of representation in its Code of Ethics. These elements include properly stating accreditation, credentials, and professional membership(s). The ACA also points out the need for its members to identify and correct any misrepresentations that may exist across various media. All these factors play key roles in the overall accurate representation of the financial coach profession.

NFEC Standards

Coaches should represent the coaching industry accurately and be well-versed in describing the coaching role.

a. They should be able to clearly explain the difference between financial coaches and other common financial service designations.

Coaches should properly convey any coaching designations they have earned and standards they meet.

a. Coaches should provide accurate descriptions of their credentials, capabilities, and designations.
b. Coaches must take immediate action to correct any known misrepresentations of their qualifications by others.

Marketing

Introduction

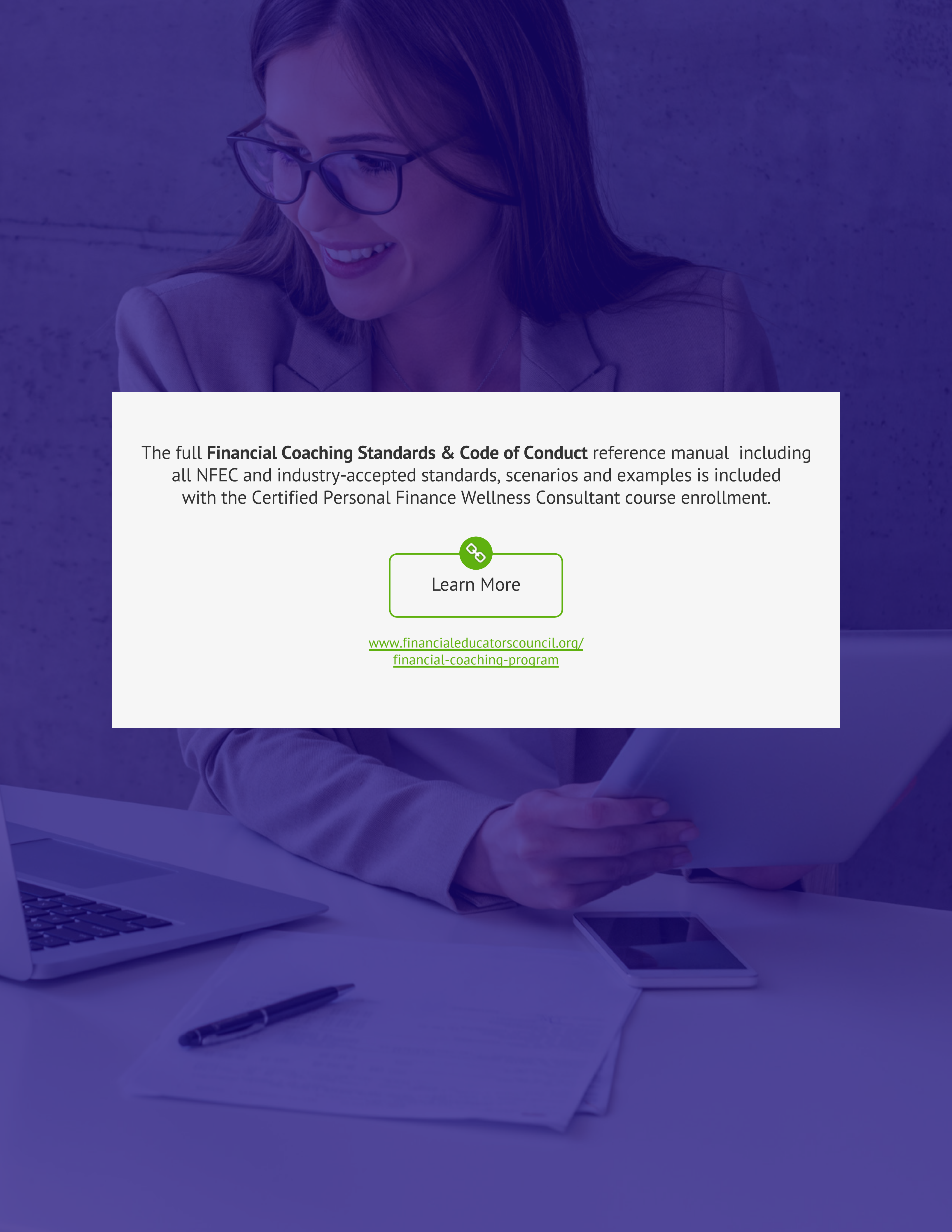
A key part of the success of any financial coach is spreading the message about the services they offer. There are many media platforms through which coaches may market their services. In all cases, they should convey consistent, accurate messages about what they offer and how they can best serve clients.

Accurate advertising is obviously critical to attracting prospective clients because it helps them gain a clear understanding of the services they will receive. Accuracy also helps coaches form positive relationships with clients, thus becoming more likely to receive new client referrals.

NFEC Standards

Coaches should accurately describe their services and credentials in all marketing messages.

a. Coaches should only market those services they are qualified and certified to offer.
b. No promises are made regarding specific client outcomes.
c. Any testimonials must include proper disclaimers.



The full **Financial Coaching Standards & Code of Conduct** reference manual including all NFEC and industry-accepted standards, scenarios and examples is included with the Certified Personal Finance Wellness Consultant course enrollment.

Learn More

www.financialeducatorscouncil.org/financial-coaching-program

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