

# What is a Financial Coach?



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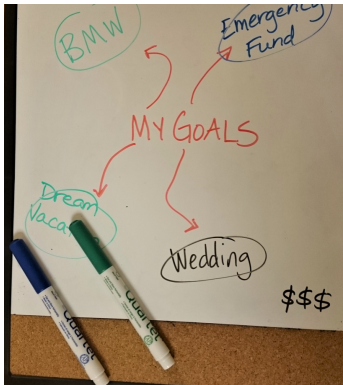
**Owner and Finance Coach, The Savvy Finance Coach**

Money is a significant factor influencing our everyday lives. Used wisely, it can provide peace, contentment and comfort, but on the other hand, poor money management can cause significant stress and anxiety. Although money is one of the most important influences in our lives, financial education is practically non-existent and personal finance is considered a taboo topic of polite conversation.

It's no surprise then, that money has been shown to be one of the biggest stressors in people's lives. In fact, money was identified as the second most common source of stress for Americans in 2017 according to the American Psychological Association. Although these statistics are startling, there is help for people in financial distress. A growing profession of personal finance coaches is emerging to fill the education gap.

## *What is a personal finance coach and do I need one?*

A personal finance coach provides clients with the education, tools, and techniques to improve their personal money management skills. Some common money topics that financial coaches could help you with include:



### **Setting Personal Finance Goals:**

Do you want to travel to Europe, buy a bigger house, own a nicer car or just reduce stress? Setting financial goals can be a huge step towards reducing stress and achieving financial freedom. A coach can help make your dreams a reality by designing a plan and providing the tools and techniques to get you where you want to go.

### **Spending Intentionally:**

Overspending is a common money problem that leaves people vulnerable to unexpected bills. If overspending is your problem, a financial coach will help assess your current money spending habits and then create a budget for future spending. A budget is a way to be more intentional with your money and change your spending habits to align with your goals and values.



### **Debt Payoff:**

Debt is a useful financial tool, but it can also be a serious burden and create emotional baggage. High interest credit card debt is one of the most common and most burdensome forms of debt. If you feel that your debt is unmanageable, a financial coach can help you create a debt payoff plan, negotiate with creditors, rebuild credit worthiness, and create savings strategies that will help you avoid debt in the first place.

**Savings Strategies:**

Short, medium, and long-term savings are essential for financial health. Saving money can help you become financially secure and provide a safety net in case of an emergency. Saving strategies can stabilize your spending and saving money could ultimately bring you freedom to do the things that you want such as in retirement. Saving can be difficult and complicated and that's where a financial coach can help you decide how much to save and how to balance saving with spending.

***What is the difference between a financial coach and financial advisor?***

A financial coach is not the same thing as a financial advisor. A financial coach teaches clients how to better manage their income and expenses. Financial coaching is typically a short-term arrangement in which a coach's goal is to teach healthy daily money management habits so that you can manage your own personal finances in the future. A financial advisor, on the other hand, invests and grows a client's money for long-term goals such as retirement and building wealth. A financial advisor may work with a client for decades. Financial coaches are not licensed to give investment, legal or tax advice. Coaches may provide general information on these topics, but they cannot make specific recommendations.

***The Takeaway...***

Hiring a financial coach can be an easy and inexpensive way to improve your overall financial health and reduce stress. If you find that you are struggling financially and need some help, consider a financial coach. A coach can provide the expert advice, tools and educational materials needed to get you on the road to financial success.

