

# Forget a Dragon, How to Train a Money Coach

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Let's face it, many of us suck at managing our money: we don't know the first about budgeting, we're in debt up to our eyeballs and we spend money like it's on fire.

In those cases, some of us call in the reinforcements and hire a money coach, unearthing our most shameful spending habits and our most debilitating psychological hang-ups around money -- all in an effort to correct them. With our most personal and private financial shortcomings, and all of the psychological or family issues they stem from, disclosed to our money coach these people better know what they're doing.



[www.moneycoachescanada.ca](http://www.moneycoachescanada.ca)

But the thing is...they don't have to. Anyone can become a money coach.

"Anyone can put up a shingle saying, 'Joe Smith: Money Coaching,'" says [Karen Collacutt](#), a Barrie, Ontario-based independent certified financial planner and money coach who belongs to a national network of other financial planners and money coaches collectively known as [Money Coaches Canada](#).

"It's not regulated under the Financial Planning Standards Commission. None of the regulating bodies are overseeing money coaching because it's a bit outside of the financial planning and banking structure," she continues.

In fact, Money Coaches Canada is the only private certification body for money coaches in Canada and they work right across the country. Their coaching is a combination of looking at the structural aspects of your finances, such as your cash flow, your budget and where your money is truly going and looking at your psychological and emotional relationship to money going all the way back to childhood.

"We do a lot of work around structure and using structure to help people make shifts in their relationship to money."

There is another private certification body in the U.S. called The Money Coaching Institute, but they focus almost entirely on the emotional and psychological aspects of one's relationship to money, including the brain science behind decision making.

"We certainly touch on the 'psychology of money' side of the things," says Collacutt. "A lot of the results from our clients are shifts in beliefs around money and psychology of money. It's just that we also give them how to actually do it."

But both of these programs privately certify their own money coaches, there is no government oversight for anything that their members recommend or advise.

"I don't think that I think it's either good or bad," says Collacutt. "It is what it is. I think that over time the government may say, 'This is something we need to get our hands in.' But in the same way that they're not regulating life coaching, I think money coaching may be left to self-regulate. Plus, because we're not selling or recommending financial products, there isn't the fraud challenge. The biggest challenge I see with people who are just putting up a shingle, especially if they're doing retirement planning work on a fee-only basis, without the proper knowledge or background, is the potential to give incorrect projections, which can be a real challenge for the client."

Hence, the reason all money coaches who do retirement projections under the Money Coaches Canada banner must have their CFP designation and all of their money coaches must go through Money Coaches Canada's intensive training program. What does this training program entail? No one knows that better than Collacutt herself because in addition to managing her own practice under the Money Coaches Canada banner, she is also the director of training for the Money Coaches Canada Certification Program.

## **Recruiting**

"I'm the first stop on the road to becoming a Money Coaches Canada associate," she says. "People who are in the financial planning world are often frustrated by the structure of the traditional financial planning situation -- the combination of advice and product sales together. They're looking for something a little more objective and something that doesn't require them to sell a product to make a living."

Not that they have anything against the products themselves, they just prefer to give advice without having selling as a requirement. "Our coaches come from a variety of backgrounds," says Collacutt "They'll have three to five years of experience in the industry, they're working on their CFP and some of them have a coaching background or have some other skillsets that made sense and fit with what we're doing."

Initial recruitment starts with a simple conversation about what Money Coaches Canada does and how they do it and what's involved in the training process and if Collacutt and the two heads of Money Coaches Canada, Sheila Walkington and Karin Mizgala, think the prospective hire would be a good fit, the process then moves on to a more traditional application and interview process.

"You have to apply for a couple of reasons: we want to make sure that we're the right fit for you and we want to make sure that you're the right fit for us," says Collacutt. "We're looking for the training to develop the association. In order to join the association, you must go through the money coaching training because we're creating a collaborative environment of like-minded professionals who are offering a high-level service. We all provide our own flavour on it, but I could refer a client to someone else within our group, if need be, knowing absolutely confidently that the client will be provided with the same quality service."

## **Applying**

In a resume and cover letter, the candidate details their expertise and why they believe they will be a good fit. Then they're selected for an interview where Collacutt grills them for a bit.

"My questions for them are, 'Are you entrepreneurial?' We are an association of individual practices who work together in a collaborative environment, so we're each individually building our practice. They have to be entrepreneurial and they need a thirst for knowledge around financial management and they need to really want to work in a collaborative environment. It's not for everybody."

Once Collacutt is comfortable with the answers, she passes the candidate on to either Walkington or Mizgala, one or both of which conducts the true job interview. If the candidate is seen to be a good fit, they will be offered a seat at the intensive training course. The hope is that they will join Money Coaches Canada, but that doesn't always happen. The candidates are free to leave at anytime or the directors may dismiss them.

"We haven't had to do that yet, we're pretty good at picking the right people. We really explain what it is and remind them that the structure of the association is about working for yourself, but not by yourself," says Collacutt. "If what they want to do is punch out financial plans and not get into the heart matters of money, then this is not the right spot for them."

## **Training**

If the candidate gets through the application process, there's three months of training waiting for them -- starting with a five-day intensive on SaltSpring Island in B.C. There, candidates receive a solid overview of the process and the language they use when helping clients and the structure they will be using during appointments.

"What do the meetings look like? What do we talk about? What kind of language do you use to help your clients move forward with their decisions?" says Collacutt. "They get a really solid overview and they meet with the rest of their training group, which, because we work by ourselves, is a great way to meet other people and establish a network of people who are starting out at the same time as you."

After that, everyone goes back to their home base and the new recruits are set up with practice clients (often friends of the recruit who then receive a reduced rate for the money coaching in exchange for a testimonial) who they will work with for the first month or however long it takes to solve that person's financial dilemma. During that time, the

new money coach receives weekly training calls and the opportunity to work with a mentor iff they need help with a particular issue that crops up. The Money Coaches Canada website also provides an associate forum where they can share ideas and ask any questions they may have.

"Lots of resources, lots of assistance and during those three months, you're working through step-by-step what exactly you're doing, as you're working with the client," says Collacutt.

## **Evaluating**

After the training is done, the new money coach gets two new clients. But, this time, they're more independent and creating the work for the client themselves. The support they received during training is still there, but now it's a little more distant. They prepare two case files on both clients, detailing what they did and how they did it and then submit that file for approval.

"Sheila Walkington does the actual evaluation, as she was the creator of this system and really the first money coach in Canada. She's looking at it and saying, 'Does this person understand what they are doing? Do they provide value to the client? Do they understand the values of this system, how to implement it and do they understand how to use it to provide solutions to the type of problems that client has?'" says Collacutt.

Finally, after all of that, they receive a certificate that proclaims them a certified money coach.

"Certifications are funny because you can get certified in all sorts of crazy things, but I think that it provides credibility because it shows that you've gone through a process and been evaluated," says Collacutt.

"If someone was going to ask me, 'What does certified money coach mean?' Then, I could tell them I took this course, here's what I did, here's how I proved that I knew what I was doing. Whereas, if you haven't taken a course and you're just a money coach without any training specifically, then you just don't have any response."

## **Questioning**

If your working with a money coach that you suspect doesn't have a cogent response to the "What is a money coach?" question, or you feel they may be unprepared to handle what horror your balance sheet may reveal, than don't be afraid to ask some pointed and important questions:

- **Do they carry any financial designations?** "If they're doing retirement projections, it's important that your money coach have some designation that helps them reliably do that," says Collacutt. This means a CFP or some accounting designation like a CMA, which provides that knowledge base. Don't be afraid to ask where they learned what they know and where they're coming from with what they are doing for you.
- **Do they have any testimonials or references?** "I've had clients ask for references and I'm very happy to share letters of reference from other clients," says Collacutt. Money Coaches Canada also features testimonials on their website and that type of feedback can be extremely helpful in separating the wheat from the chaff.

*If you'd like more information on Money Coaches Canada, visit [their website](#), or if you are an independent financial planner interested in becoming an associate, e-mail [careers@moneycoachescanada.com](mailto:careers@moneycoachescanada.com).*