

Recognizing Linguistic Cues to Align Financial Coaching Strategies with the Transtheoretical Model of Change

Abstract

Financial coaching is more effective if a finance professional understands where a client is in the process of change. This article presents five mini scenarios exemplifying the stages of change as they apply to clients receiving financial coaching as well as a sampling of coaching strategies useful for helping clients move through those stages. In particular, the focus of each mini scenario is language used by clients that can provide clues about the stage of change the client is in. Financial management Extension professionals can use the information presented to recognize linguistic cues related to stages of change and align coaching strategies appropriately.

Lucy M. Delgadillo

Professor
Applied Sciences,
Technology and
Education
Utah State University
Logan, Utah
lucy.delgadillo@usu.edu
[u](#)

Introduction

Financial coaching has the potential to enhance financial security (Collins, Olive, & O'Rourke, 2013) because it turns knowledge and intentions into behavior change by bolstering individuals' self-control, focusing their attention, and holding them accountable. However, using inappropriate techniques that prematurely encourage new behaviors can generate a counterproductive outcome by discouraging change rather than facilitating it (DiClemente, 2006). For coaching to work, the coach must understand how behavior changes and use coaching strategies based on that understanding.

With their transtheoretical model of change (TMC), Prochaska, DiClemente, and Norcross (1992) purported that personal behavior changes, such as saving money or decreasing debt, take place in defined stages. Shockey and Seiling (2004) and Xiao et al. (2004) demonstrated the effectiveness of applying an understanding of the TMC to financial education programs, and Moore, Highstein, Tschannen-Moran, and Silverio (2010) identified considerations for coaching based on the TMC. On the basis of the foundations laid by these researchers, Extension financial management professionals can apply principles of the TMC and related coaching techniques to spur improved financial habits among their clients. To do so, however, the Extension professional must be able to recognize a client's level of readiness for change at the time of contact with that individual. Financial management Extension professionals can use the information and strategies presented here to recognize linguistic cues related to stages of change and to align coaching strategies appropriately.

Stages of Change

According to the TMC (Prochaska et al., 1992), there are five stages on the path to changing behavior:

- *Precontemplation* is the stage characterized by an attitude of *I won't change* (because I do not feel I have a problem) or *I cannot change* (because I do not believe it is possible).
- *Contemplation* is also known as the *I may* stage. An individual in this stage may reflect a natural ambivalence toward change.
- *Preparation* is also known as the *I will* stage. Individuals have increased their commitment to change and often have started to make small changes.
- *Action* is also known as the *I am* stage. Someone in this stage has identified the new behavior he or she wants to establish and is doing it consistently.
- *Maintenance*, or the *I still am* stage, begins when the new behavior change has become a habit.

Representative Scenarios

As noted, Moore et al. (2010) applied the TMC to the practice of coaching to promote behavior change. Here, considerations those authors identified for each stage of change are presented (Moore et al., 2010), along with representative scenarios illustrating language financial management Extension professionals might hear from clients in the various stages of change.

Precontemplation coaching considerations. For the *I won't* "coachee," the financial coach acts as a sounding board and shows empathy. This is the time for the coach to use reflection statements to convey understanding and respect for the client's feelings. Although it is not a time to ask for forward movement, the coach may extend an invitation for the client to seek assistance when he or she is ready. For the *I cannot* client, the coach acts as a facilitator to identify the coachee's barriers and self-limiting beliefs that impede change.

Representative client statement: "I'm only here because my partner said I needed to come. I do put purchases on our credit card, but I make the minimum payment each month. It isn't a problem. I don't have a so-called emergency fund, and I'm not saving for retirement, but I know there will be a time for all of that."

Contemplation coaching considerations. Contemplation is a stage of ambivalence. The coachee is aware of both the benefits of and the obstacles to change. People may stay in this stage for an extended period (chronic contemplation). The best strategy for the financial coach is to assist the person with a decisional balance sheet and help in creating a vision of what he or she wants to accomplish.

Representative client statement: "I want to get my finances under control. I know I need to budget, but I'm not sure how to do that. I also need to pay off some debt, and I think I need to begin saving for retirement. I wonder whether it's best to pay down debt or save."

Preparation coaching considerations. A coach should not tell a client in the preparation stage what to do (doing so will only add resistance). Instead, a coach helps the client by brainstorming to identify small, realistic steps.

Success with small steps will bring forth the intrinsic motivation needed to accomplish bigger goals.

Representative client statement: "I'm ready to be in control of my finances. I've looked at a computer-based budget system, but it seems complicated. I'm sure I spend more each month than my income, but I am not behind on any debt payments. I need a new car, but I also should pay off my credit cards."

Action coaching considerations. The coachee has been working on new behaviors and developing new habits for only a short period (usually up to 6 months). The coach should help the coachee focus on the future, reinforcing new desired behaviors by acknowledging and celebrating the attainment of mini goals.

Representative client statement: "After tracking for a month, I have completed both a net-worth statement and an income-and-expense statement. I also got a part-time job to pay off my credit card debt, payday loan, and furniture loan. I'm trying to cut back on my expenses, but sometimes I eat out too often."

Maintenance coaching considerations. A coach can use a scaling question with a client to measure the client's level of internalization and confidence with regard to the new behavior. A scaling question is a tool that assesses personal confidence on a range from 1 to 10. A preventive plan to manage potential lapses and relapses is essential. A lapse is a temporary setback when people temporarily abandon the new behavior. A relapse is an abandonment of the new behavior to the point that the benefits associated with the new behavior decrease or disappear.

Representative client statement: "I have been budgeting for about 7 months and have set up automatic deposits for savings and automatic payments for debt. I have \$1,600 saved in an emergency fund. While paying down my credit card debt, I use my credit card only for gas, and I pay that off each month plus more."

Strategies Based on Stages of Change

The TMC and financial coaching complement each other. By understanding the TMC and the considerations identified by Moore et al. (2010), Extension professionals can implement more effective financial coaching. Table 1 shows strategies Extension professionals can use to coach clients in each stage of change.

Table 1.

Sample of Coaching Strategies Recommended for Different Stages of Change

Stage	Recommended coaching strategies
Precontemplation	<ul style="list-style-type: none"> • Validate the client's lack of readiness to change • Be empathetic and invite the client to contact you when he or she is ready
Contemplation	<ul style="list-style-type: none"> • Capitalize on the client's strength and assist him or her in getting excited about change • Help the client relate the changes he or she seeks to his or her

personal values

- Help the client develop a vision of what he or she wants (rather than what is not wanted)
- Encourage the client to evaluate the pros and cons of behavior change

Preparation

- Encourage the client to write down the commitments he or she is making
- Avoid resistance by not telling the client what to do
- Discuss situations the client thinks could be problematic when starting the new behavior
- Assist the client in problem solving regarding obstacles and limiting beliefs

Action

- Help the client target gradual change and small achievable financial steps
- Assist the client in framing mistakes as learning opportunities rather than failures
- Help the client combat feelings of loss, and reiterate long-term benefits he or she is achieving

Maintenance

- Assist the client in appreciating the value of new behaviors
- Encourage the client to share his or her financial commitments and new behaviors with others
- Reinforce internal rewards
- Avoid judgments at all times, especially when a client has lapsed
- Discuss coping with lapses and relapses

Conclusion

Financial management Extension specialists can identify linguistic signals described in this article to align their coaching skills to the different stages of change. Likewise, non-Extension educators and financial counselors also

can benefit from using these critical skills to encourage healthful financial behaviors.

References

- Collins, M., Olive, P., & O'Rourke, C. (2013). Financial coaching's potential for enhancing family financial security. *Journal of Extension*, 51(1), Article 1FEA8. Available at: <https://www.joe.org/joe/2013february/a8.php>
- DiClemente, C. (2006). *Addition and change*. New York, NY: The Guilford Press.
- Moore, M., Highstein, G., Tschannen-Moran, B., & Silverio, G. (2010). Coaching behavior change. In M. Moore & B. Tschannen-Moran (Eds.), *Coaching psychology manual* (pp. 33–51). Philadelphia, PA: Lippincott Williams & Wilkins.
- Prochaska, J., DiClemente, C., & Norcross, J. (1992). In search of how people change: Applications to the addictive behaviors. *American Psychologist*, 47, 1102–1114. PMID: 1329589
- Shockey, S., & Seiling, S. (2004). Moving into action: Application of the transtheoretical model of behavior change to financial education. *Financial Counseling and Planning*, 15(1), 41–52.
- Xiao, J., Newman, B., Prochaska, J., Leon, B., Bassett, R., & Johnson, J. (2004). Applying the transtheoretical model of change to consumer debt behavior. *Financial Counseling and Planning*, 15(2), 89–100.

Copyright © by Extension Journal, Inc. ISSN 1077-5315. Articles appearing in the Journal become the property of the Journal. Single copies of articles may be reproduced in electronic or print form for use in educational or training activities. Inclusion of articles in other publications, electronic sources, or systematic large-scale distribution may be done only with prior electronic or written permission of the Journal Editorial Office, joe-ed@joe.org.

If you have difficulties viewing or printing this page, please contact [JOE Technical Support](#)