

Cultural Humility and Financial Coaching

Believe in People

At Compass, our coaching practice and philosophy are deeply rooted in our core values, particularly our value “believe in people.” We believe in all of our clients and in their ability to achieve their goals and dreams, and we are committed to fostering for our clients a culture of dignity, aspiration, and hope.

As financial coaching practitioners, we believe that clients are the experts in their own lives and goals. Financial coaching is a client-driven process designed to support and develop a client’s capability to manage their finances and work toward financial security in accordance with their own self-defined goals.

Cultural Humility

Building on this core value, our financial coaching model also focuses on the importance of integrating cultural humility into the delivery of our services. Compass believes in the importance of fostering awareness of, and responsiveness to, the diverse populations and cultures we serve in our direct services programs and through our national partnerships. Our goal is to create a community where we recognize strengths in all people and respond respectfully to people of all cultures.

There are three key dimensions to this work:

1. Integrating cultural humility into our coaching practice requires coaches to be aware of, and manage, their own biases, and refrain from judging clients’ decisions.

It is important that coaches understand their roles and the potential impact that their work can have on clients. Cultural humility instills the practice of working with people with a presence of humility, empathy, and non-judgment. It also incorporates a commitment to self-evaluation and self-critique to address power imbalances in the coaching relationship and build mutually beneficial partnerships between the coach and client based on trust and respect. *Coaches demonstrate cultural humility by approaching the coaching relationship as a partnership; they ask open and powerful questions about clients’ lived experiences, avoid assumptions, reject stereotypes, and create a safe space for the coaching work to unfold.*¹

2. Culturally competent practice also requires that coaches understand how institutional and systemic barriers, rooted deep in our nation’s history, limit the ability of families of color to build wealth.

These barriers, including redlining and predatory financial services, make it difficult for families of color to access opportunities, information and resources, and high-quality services and products. Moreover, for families in our housing and public welfare systems, asset limits often discourage and penalize savings, creating poverty traps that make it difficult for families to access opportunity and move forward. In addition, families seeking assistance must navigate confusing, inefficient, and poorly designed systems which can hinder their ability to achieve their goals. Instead of lifting clients up, these systems often instill and deepen feelings of mistrust, fear, and shame. Compass acknowledges the barriers that our clients face and strives to design our programs in a way that positions clients to be successful.

¹ J. Birkenmaier and M. Sherraden, “Cultural Competence in Financial Counseling and Coaching” in *The Professionalizing Field of Financial Counseling and Coaching: A Journal of Essays from Expert Perspectives in the Field*. Citi Community Development and Cities for Financial Empowerment, 2016.

3. We believe that culturally competent practice must seek to integrate client voices into the design and delivery of services - and into the broader policy and systems change we seek to influence as an organization.

This includes identifying and operationalizing ways to integrate client feedback and stories into our work (e.g. client surveys, interviews, focus groups, etc.), and seeking client engagement at the board and/or staff level.

Narrative

We also believe that our work is about shifting the narrative about poverty. In this context, language matters. Understanding the structural barriers to building wealth, as well as the complexity and multi-faceted nature of poverty, requires a rejection of the narrative that poverty is about personal responsibility. Too often, this narrative – shaped by racism and misogyny - focuses on blaming and shaming families and reinforces solutions that require clients to jump through hoops to prove their struggle or their right to resources. All too often, our clients are viewed as making a series of bad decisions and judged as being unable to manage their financial situations. Instead, we focus on seeing our clients as resilient and resourceful, and we recognize how well our clients care for themselves and their families and how much they achieve. We speak to our experience that clients are working hard and want to get ahead and build a stronger financial future for themselves and their families. We focus on people-first language that lifts up and invests in the hopes, aspirations, and drive of our clients.

Ultimately, this is an ongoing piece of work at Compass. As an organization, we strive to keep learning more about ourselves, about the broader systems and policies that shape our clients' lives, and about opportunities to better support clients in our programs.

Team and Personal Reflection Exercises

**Exercises and resources with an asterisk will be emphasized during the group discussion.*

Personal Reflection Exercises:

- *Think about a time when you experienced “a series of unfortunate events” in your life. Recall how you felt and how you managed your day-to-day responsibilities, while dealing with the challenges that you faced.
 - How did you work through that time?
 - What was most helpful to you during this time?
 - Did you reach out for support from others? If so, how did they respond?
 - Did you wish you had had more support, or something different, to assist you during this time?

Note: If you have not experienced “a series of unfortunate events,” is there someone who has confided in you during a difficult time? If so, try to complete this exercise with them in mind.

- How much do you know about, and understand, the communities that you serve?
 - What are the strengths and assets of the community?
 - Have you visited, or do you work in, the location(s) where your clients live?
 - What are the overall resources in the community (community centers, childcare, health care, public transportation, etc.)?
 - What are some of the deeper challenges faced by the community?
 - What would you like to learn about the communities you are serving?

- *Please read [“Cultural Competence in Financial Counseling and Coaching”](#) by J. Birkenmaier and M. Sherraden²
 - Discuss the following quote from the article: *“Practitioners must demonstrate cultural humility by approaching the helping relationship as a partnership; they ask questions about clients’ experiences, communicate respect, avoid assumptions, and reject stereotypes.”*
 - How does your organization meet the authors’ standard of “cultural humility”? Create a list together.
 - What more can your organization do to get closer to this standard of cultural humility?
 - Is there anything in the article that you found confusing or that you want to learn more about?

Team Activity: Revising Language to Help Shift the Narrative about Poverty

Over the past few years, Compass has continued to revise the language it uses to describe its work in order to help shift the narrative about poverty. If you or your organization are interested in reviewing and refining the language you use for this purpose, here are some questions to consider, with examples of changes that Compass has made. We also recommend creating opportunities for the people you serve or seek to serve to provide feedback on the language you use, and to help identify the unintended and potentially negative messages that your language may be carrying.

We suggest that you select one of your central program documents (e.g. marketing or outreach materials, program guidelines, etc.) and review it with the following questions in mind.

1. Is the language that you use “people-first”? Do you emphasize the person or a certain descriptor of them, which often has a negative connotation?

Example: “Compass serves ~~low-income~~ families *with low incomes*”

2. Do you use terms or pronouns that can function to “other” certain groups? At Compass, we are careful to avoid using terms like “them” or “those” when referring to our clients, as it can imply that we and others “like us” should see our clients as the other, in a negative way.

Example: Compass is putting the tools to build assets and financial capabilities into the hands of families with low incomes, and supporting ~~them~~ *families* to use these tools to reach their financial goals and dreams.

3. Do you use language that inadvertently diminishes the strengths and accomplishments of the people you serve? For example, we are intentional about naming and lifting up the resiliency, strengths and assets of people and communities, and in this spirit generally avoid language like “vulnerable,” “marginalized,” “at-risk,” or “underserved” communities. We have also moved away from using terms like “help” or “empower” to describe the services we provide to our clients. Instead, we talk about our work in terms of partnering with, working with, or supporting clients to achieve their goals and dreams.

² J. Birkenmaier and M. Sherraden, “Cultural Competence in Financial Counseling and Coaching” in *The Professionalizing Field of Financial Counseling and Coaching: A Journal of Essays from Expert Perspectives in the Field*. Citi Community Development and Cities for Financial Empowerment, 2016.

Example: Compass provides savings and financial coaching programs that ~~empower~~ *support* families with low incomes to build assets, achieve their financial goals, and become financially secure.

4. Do you use language that inadvertently reinforces false narratives about the people that you serve?

Example: Compass used to describe our programs as serving *motivated* families with low incomes. We even described our financial education workshops, which were a prerequisite to program enrollment, as a “screen” for motivation. It is true that families who sign up for our programs are motivated. But what’s not true is that families who don’t sign up lack motivation.

While we are actively working to remove barriers for families to access our programs, we know there are still many reasons why families may not enroll: childcare issues, our program location or office hours, health challenges, or perhaps most importantly the lack of trust families have in systems and programs like ours based on past experiences. It was critical for us to stop using this language about families being *motivated* because we realized that it perpetuated the stereotype that people living in poverty are not motivated to work or get ahead, or that poverty is a result of a lack of individual motivation.

Resources Available on the Compass Web Portal & DEI Site

Compass Web Portal

- [Article: Cultural Competence in Financial Coaching and Counseling](#)
- [Training Presentation: Introduction to Financial Coaching](#)

[Compass Diversity, Equity, and Inclusion Web Page](#)

- [“Race: The Power of an Illusion,”](#) a three-part documentary series by California Newsreel
- [“Racial Wealth Equity” at Prosperity Now](#)
- [*“The Magnolia Mother’s Trust”](#) created by Springboard to Opportunities in Jackson, Mississippi