

If you unexpectedly received \$10,000, what would you do with it?

1. Invest
2. Save
3. Spend on something fun like a trip
4. Spend on paying bills
5. Other

PRACTICING FINANCIAL WELLNESS THROUGH A CULTURAL LENS

CULTURE, SAVING & INVESTING



Don't Forget!

TUESDAY, APRIL 1 CULTURAL HUMILITY & CREDIT

TUESDAY, APRIL 15 CONSUMER PROTECTION: CAR BUYING & FINANCING

THURSDAY, MAY 8 INFLUENCING FINANCIAL DECISIONS WITH BEHAVIORAL SCIENCE

REGISTER: RAISETEXAS.ORG/EVENTS



Thank You



EXPECTATIONS

- BE PRESENT & REFLECTIVE
- BE OPEN TO BEING UNCOMFORTABLE
- MAKE SPACE AND TAKE UP SPACE



SPEAKERS

Dr. Melinda Perez, AFC
CNM Certified Financial Coach

Maribel Alvarez
Universal Wealth
Financial Professional

Dr. Richard Simonds
Assistant Professor, Social Work
Director, Financial Coaching and
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University of Houston Downtown



OBJECTIVES

- Understand how culture influences saving and investing
- Recognize the impact of the investment gap
- Examine retirement through a cultural humility lens
- Learn the stepping stones to wealth-building

Cultural Humility: Savings & Investing

A lifelong process of self-reflection, learning, and recognizing systemic influences. Adapting financial advising approaches to meet culturally diverse client needs

Why it matters in Saving & Investing

Personal Reflection Activity: Saving & Investing Messages & Culture

What messages did you receive about **saving and investing** growing up?



Personal Reflection Activity: Saving & Investing Messages & Culture

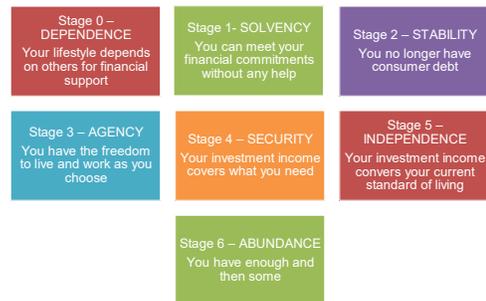
What messages about **saving and investing** do you see/hear in your work with clients?



4 (Idealized) Phases of Wealth-Building

- 20s-40s** **Wealth Accumulation**
Income growth, saving, reducing debt
- 30s-50s** **Wealth Growth & Management**
Investing, asset growth, diversification
- 50s-60s** **Wealth Preservation**
Protecting assets, insurance, reducing risk
- 60s+** **Wealth Distribution**
Retirement income, legacy/estate planning

Road to Financial Freedom



Ideal vs. Reality

Reality Check

Many Americans do not follow this timeline due to systemic barriers, cultural expectations, and life circumstances.

Financial professionals need to adapt strategies to meet people where they are, not where we expect them to be.

Cultural Influences on Saving and Investing Goals



Systemic barriers

Cultural expectations

Historical events that impact generations

5 Water Shed moments that have influenced how people save in the US

- 1929–1939 Great Depression**
Rise of Financial Caution & Mistrust
- 1944–1968 GI Bill & Redlining**
Wealth-Building for Some, Systemic Exclusion for Others
- 1978–1990s 401K Revolution & Shift from Pensions**
DIY Retirement Savings
- 2007–2009 Great Recession**
Distrust in Financial Systems & Rise of the Gig Economy
- 2020–Present COVID-19 Pandemic**
Emergency Savings & Systemic Financial Gaps

Our Beliefs Have an Impact!

Table 15d Differences in Wealth-Building Beliefs by Generation

| Belief # | Common Beliefs Around Building Wealth | Boomers | Gen X | Millennials |
|----------|--|---------|-------|-------------|
| 1 | To become rich, you have to take big risks with your money | 59% | 72% | 77% |
| 2 | To become rich, you need to act rich | 18% | 27% | 31% |
| 3 | Most millionaires have a million-dollar home | 43% | 64% | 67% |
| 4 | If you're born into a poor family, you can't become wealthy | 10% | 23% | 26% |
| 5 | You have to be lucky to get rich | 45% | 52% | 60% |
| 6 | Wealthy people are materialistic, self-centered, obsessed with having more money | 38% | 50% | 52% |
| 7 | Most wealthy people come from wealthy families | 70% | 78% | 86% |
| 8 | The majority of millionaires inherited their money | 52% | 69% | 74% |
| 9 | You need a six-figure salary to become a millionaire in today's economy | 53% | 68% | 69% |
| 10 | Wealthy people use debt in their favor to make more money | 85% | 89% | 82% |

1929–1939 Great Depression

Rise of Financial Caution & Mistrust

Impact on Savings

- Millions lost their savings as banks collapsed.
- Fear of financial institutions led to "cash under the mattress" mentality that persists in some communities.
- Establishment of government safety nets like Social Security (est. 1935).

Cultural Humility Consideration:

- Generational trauma affects risk tolerance—some families avoid banks due to historical losses.
- Minority communities were often left out of early relief programs, deepening distrust in financial institutions.

1944–1968 GI Bill & Redlining

Wealth-Building for Some, Systemic Exclusion for Others

Impact on Savings

- GI Bill (1944) provided education and homeownership benefits for some, fueling the rise of the American middle class.
- Redlining & Discriminatory Lending policies blocked Black, Latino, and immigrant families from accessing these opportunities, widening the racial wealth gap.
- Homeownership became a primary form of savings & wealth-building for some, but not for all.

Cultural Humility Consideration:

- Expectation to save for a home is deeply tied to generational access to mortgages.
- Some families prioritize supporting extended family financially rather than saving for a home due to systemic barriers.

1978–1990s
401(k) Revolution
&
Shift from Pensions

DIY Retirement Savings

Impact on Savings

- 401(k) replaced pensions, shifting retirement responsibility from employers to individuals.
- Increased stock market participation, but wealth disparities in investing persisted.
- Many low-income workers never had access to employer-sponsored retirement plans.

Cultural Humility Consideration:

- Some cultures prioritize family-based retirement support over individual retirement savings.
- Mistrust of financial markets prevents some communities from investing.

2007–2009
Great Recession

Distrust in Financial Systems & Rise of Gig Economy

Impact on Savings

- Mass job losses and housing foreclosures wiped out family wealth.
- Trust in financial institutions plummeted, especially among younger generations.
- The gig economy expanded, leading to inconsistent income and less access to employer benefits like 401(k)s.

Cultural Humility Consideration:

- Some communities were hit harder due to predatory lending practices (e.g., subprime mortgages disproportionately targeting Black & Latino families).
- Savings habits changed—many prioritize liquid cash savings over long-term investments.

Watershed Reflections

Are you still seeing the impacts of the Great Recession in your work with clients?

2020–Present

COVID-19 Pandemic

Emergency Savings & Systemic Financial Gaps

Impact on Savings

- Widespread job losses reinforced the importance of emergency savings.
- Government stimulus checks and expanded unemployment benefits showed the role of policy in financial stability.
- The wealth gap widened—wealthy households invested more, while lower-income households struggled to save.

Cultural Humility Consideration:

- Financial professionals must recognize that some communities prioritize financial caregiving over personal savings.
- Understanding why clients may not have savings is critical—systemic barriers, wage gaps, and family responsibilities play a role.

Watershed Reflections

How has the COVID Pandemic impacted the way you approach saving and investing conversations with your clients?

Activity: Focusing on Retirement

What strategies can financial coaches use to help clients think about and plan for retirement?

Financial Coaches: Possible Ways to Help

- Values-Based Retirement Planning:
Aligning strategies with cultural and family priorities
- Encourage retirement conversations early

Steps to Plan for Retirement

- Envision Your Secure Retirement
- Understand Your Income Sources
- Protect Your Wealth
- Plan For Your Family's Future
- Assess Your Financial Readiness
- Get Experienced Insights

Understanding Risk Tolerance

<https://www.thriventfunds.com/investing-style-quiz.html>



LET'S TALK

FINANCIAL FREEDOM

Universal Wealth

MOST COMMON Financial Concerns

| | |
|---------------|-----------------|
| Taxes | BECOME DISABLED |
| INFLATION | LEAVE A LEGACY |
| MARKET LOSSES | MANAGE DEBT |
| OUTLIVE MONEY | INDECISION |

WHICH OF THESE CONCERN YOU?



Roadblocks of Money

TAXES

INFLATION

LOSSES

INDECISION

Universal Wealth

HOW DOES IT WORK?
72 ÷ % = YEARS

| | 1% | 3% | 6% | 12% |
|----------|----------|----------|-----------|-------------|
| 72 Years | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| 6 | | | | \$20,000 |
| 12 | | \$20,000 | \$40,000 | \$40,000 |
| 18 | | | \$80,000 | \$80,000 |
| 24 | | \$20,000 | \$40,000 | \$160,000 |
| 30 | | | \$320,000 | \$320,000 |
| 36 | | | \$80,000 | \$640,000 |
| 42 | | | | \$1,280,000 |
| 48 | \$16,000 | \$40,000 | \$160,000 | \$2,560,000 |

Universal Wealth

| SAVING ACCOUNTS | | CREDIT CARD TYPE | |
|---------------------------|--------------|---------------------------|---------------|
| | APY | | APR |
| Nationwide Average | 0.10% | Nationwide Average | 18.97% |
| Ally Bank | 1.00% | Current Accounts | 14.56% |
| American Express | 1.00% | Excellent Credit | 13.96% |
| Capital One | 1.00% | Good Credit | 19.89% |
| TD Bank | 0.02% | Fair Credit | 23.20% |
| Chase | 0.01% | Store Cards | 25.37% |
| U.S. Bank | 0.01% | Secured Cards | 19.03% |
| Wells Fargo | 0.01% | Student Cards | 16.40% |
| Bank of America | 0.01% | Business Cards | 17.97% |

Source as of March 4th, 2022. <https://www.savingsgiant.com/banking/savings-bank-interest-rates>

Universal Wealth

WHAT IS YOUR TAX STRATEGY?

TAXED YEARLY

STOCKS, CRYPTO, & BANK ACCOUNTS

- ORDINARY INCOME
- SHORT TERM CAPITAL GAINS
- MIGHT NOT OUTPACE INFLATION

TAXED UPFRONT

ROTH IRA, MUNIS, & CASH VALUE LIFE INS.

- TAX-FREE DISTRIBUTIONS
- TAX-FREE ACCESS
- NO RMDs

TAX DEFERRED

401K, IRA, & PENSIONS

- PENALIZED IF ACCESSED BEFORE AGE 59 1/2
- RMDs REQUIRED MINIMUM DISTRIBUTIONS AFTER AGE 73

IT'S NOT ABOUT HOW MUCH YOU MAKE. WHAT MATTERS IS HOW MUCH YOU GET TO KEEP!

HISTORY OF LIFE INSURANCE

| TYPES | TERM | WHOLE LIFE | INDEXED |
|--------------------|----------------------|------------|-------------------|
| YEAR CREATED | 1920's | 1950's | LATE 90's |
| AFFORDABILITY | \$ | \$\$\$ | \$\$ |
| ACCUMULATION STYLE | No cash value | Earns 3-4% | Uncapped/0% Floor |
| COVERAGE PERIOD | 10, 15, 20, 30 Years | Lifetime | Lifetime |
| ACCESS METHOD | N/A | 5-8% Loans | 1-6% Loans |

FINANCIAL EMPOWERMENT COMPLIMENTARY FINANCIAL CHECKUP

With an alarming lack of education about financial fundamentals, people need the tools and guidance to help them make informed choices to meet today's challenges.

- Financial Education
- Increase Cash Flow
- Eliminate Debt
- Proper Protection
- Build Wealth
- Preserve Wealth
- Emergency Fund

Universal Wealth

»»» WHAT ARE YOUR GOALS?

- ELIMINATE DEBT
- SAVE FOR RETIREMENT
- CHANGE OF ENVIRONMENT
- EARN MORE MONEY
- TAKE CARE OF LOVED ONE
- CONTROL YOUR TIME
- TRAVEL THE WORLD
- FUND EDUCATION

Thank You for Joining us!!

Feedback Form

LET'S TALK

FINANCIAL FREEDOM

Universal Wealth

Key Takeaways

- Wealth-building phases are not universal—they are shaped by history, culture, and access
- Financial cultural humility requires understanding the context behind client behavior
- Adapt your approach to support self-efficacy and cultural values



We want your feedback!

Please complete our survey when the webinar ends.




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Contact us

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