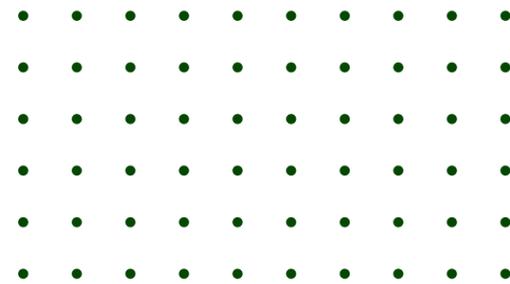


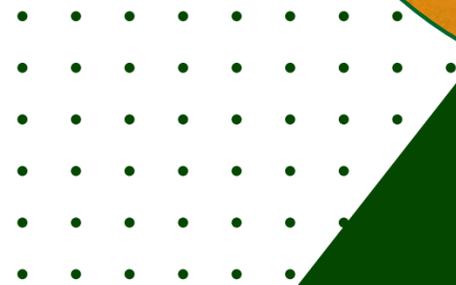
What feelings  
does this word evoke?

DEBT



# PRACTICING FINANCIAL WELLNESS THROUGH A CULTURAL LENS

Money, Debt Management &  
Financial Trauma



**Register for the full series at [raisetexas.org/events/](https://raisetexas.org/events/)**

Tuesday, March 18 Cultural Humility, Saving & Investing

Tuesday, April 1 Cultural Humility & Credit

Tuesday, April 15 Consumer Protections

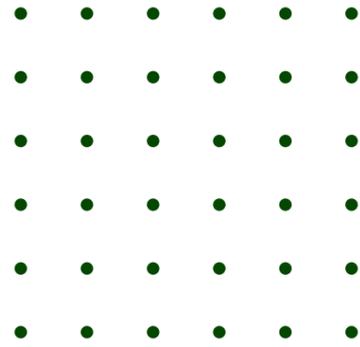
Thursday, May 8 Influencing Financial Decisions with Behavioral Science

Don't  
Forget!



Thank You

# Expectations



- Be Present & Reflective
- Be Open to Being Uncomfortable
- Make Space and Take Up Space

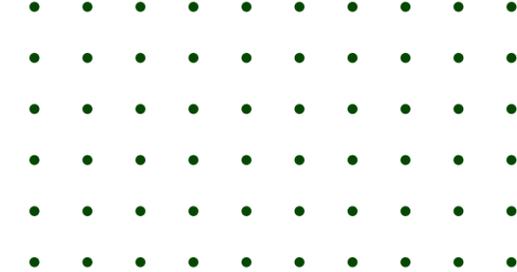
# SPEAKERS

**Dr. Melinda Perez, AFC**  
CNM Certified Financial Coach

**Nathan Aistle, CFT-I, LMFT**  
Certified Financial Therapist  
Financial Therapy Clinical Institute



**Dr. Richard Simonds**  
Assistance Professor  
Social Work  
University of Houston Downtown



# Objectives

1

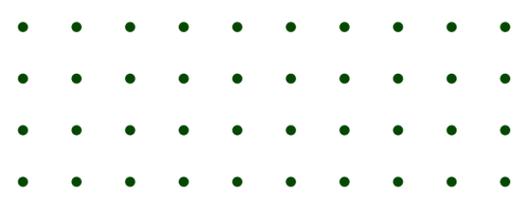
Understand the role of culture and behavioral economics in money & debt management.

2

Understand the role of financial trauma in money & debt management.

3

Learn about debt management tools.



What has been the biggest influence on your money management style?



# Money History Questionnaire: Culture, Money, and Debt Management

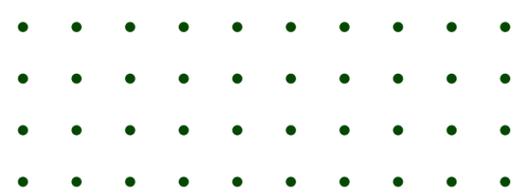
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**B** *I* U  

**This questionnaire is anonymous.** As we prepare for our webinar on February 29, *Culture, Money, and Debt Management*, we would like for you to reflect on your own money history and consider how your family system has influenced your money management style. Thank you for your willingness to participate.

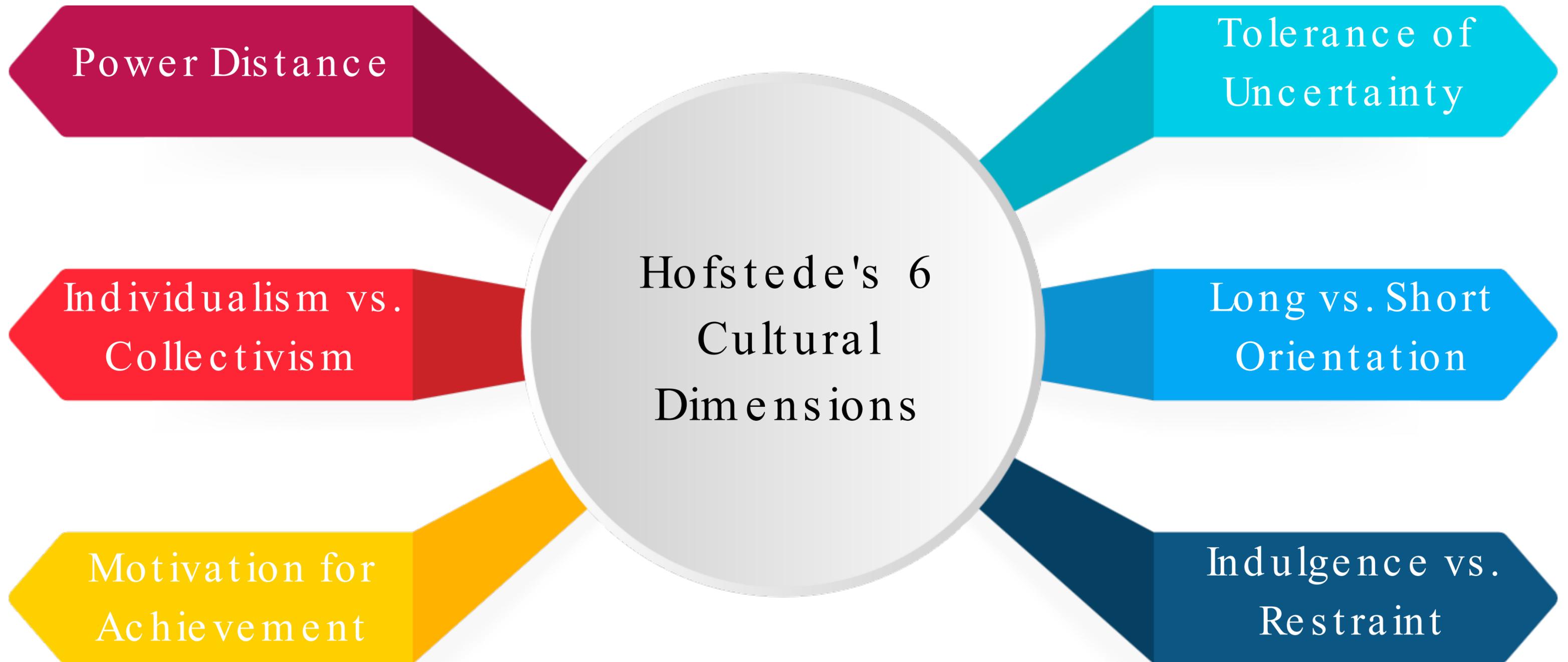
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<https://bit.ly/2025MoneyHistory>



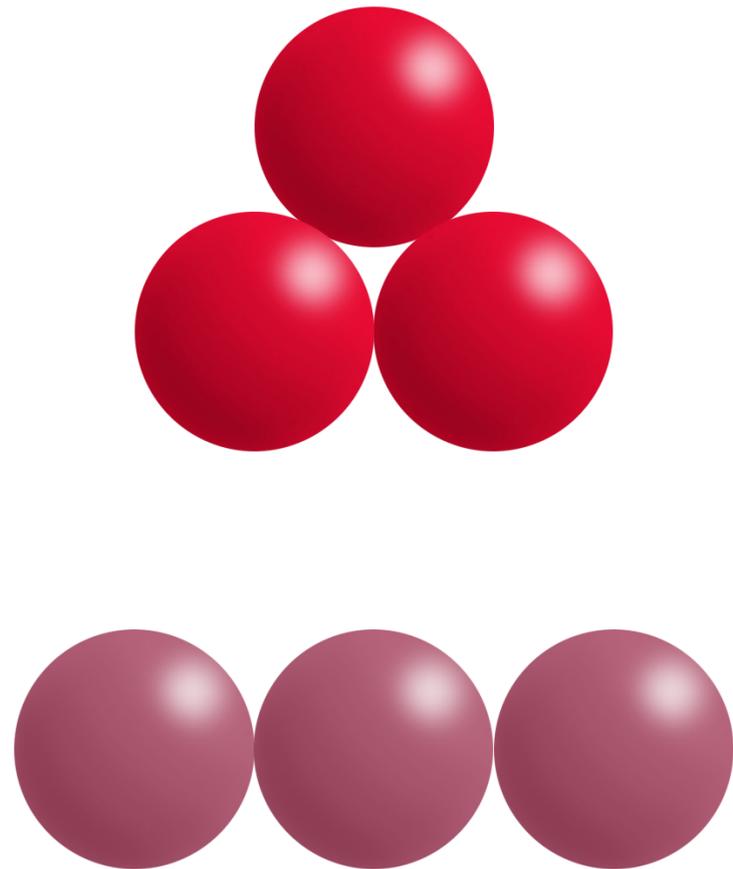
What realizations did you have  
doing this exercise?

# Hofstede's Cultural Dimensions: Culture & Psychology



# Hofstede's Cultural Dimensions: Culture & Psychology

## Power Distance



## Tolerance of Uncertainty

High

VS

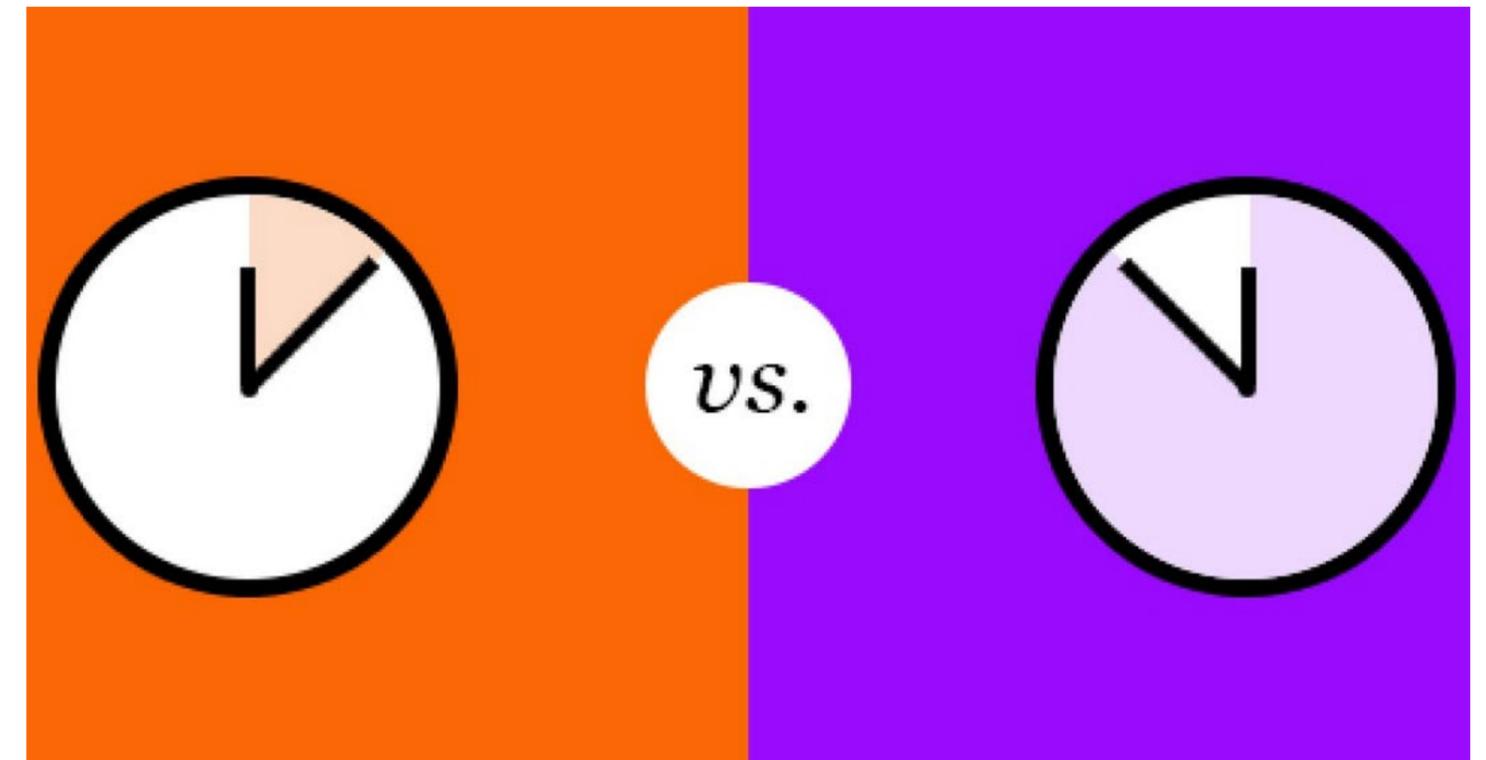
Low



# Hofstede's Cultural Dimensions: Culture & Psychology

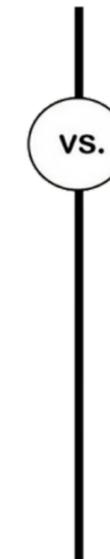
Individualism vs. Collectivism

Long vs. Short Orientation



# Hofstede's Cultural Dimensions: Culture & Psychology

Motivation for Achievement      Indulgence vs. Restraint

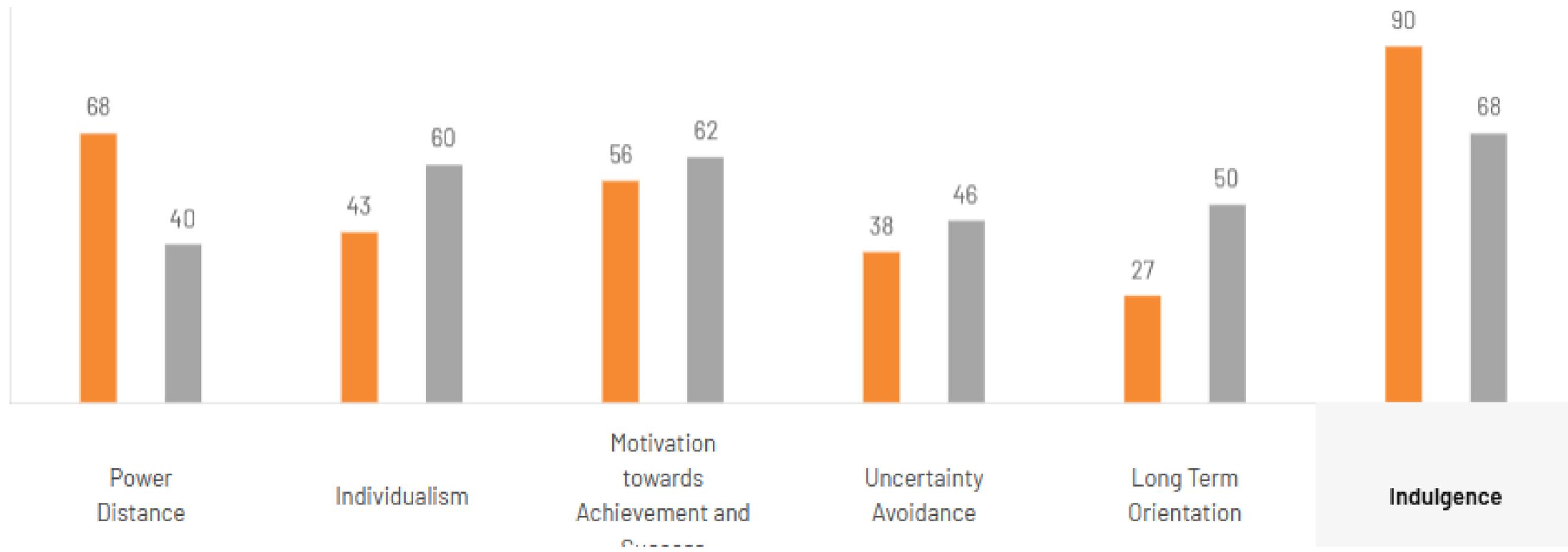




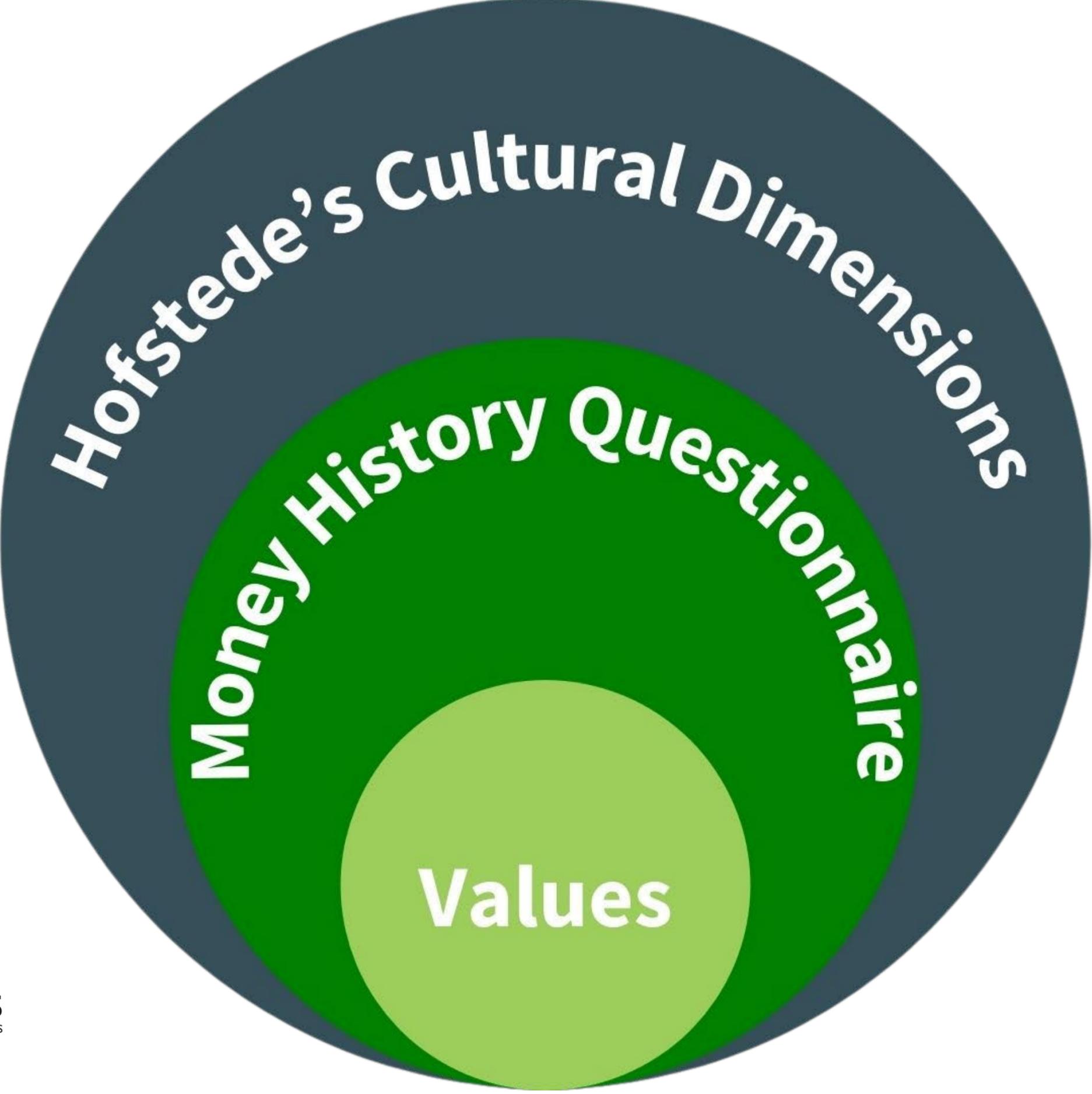
Learn how AI strategies to navigate cultural complexities in our in-depth [analysis](#), or explore our [other articles](#) for further insights.

Puerto Rico x

United States x



How can we use Hofstede's 6 Cultural Dimensions as financial practitioners?



Hofstede's Cultural Dimensions

Money History Questionnaire

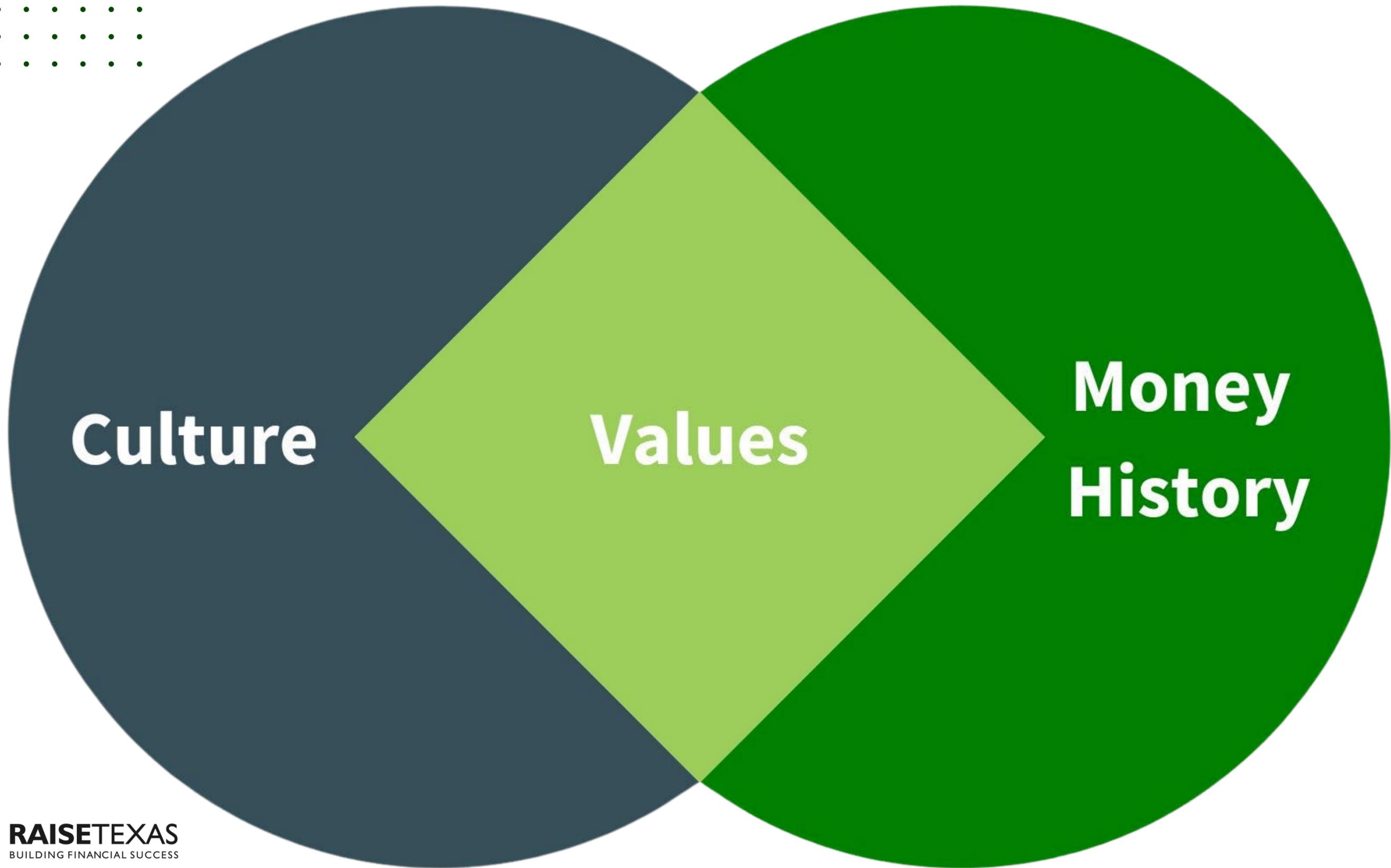
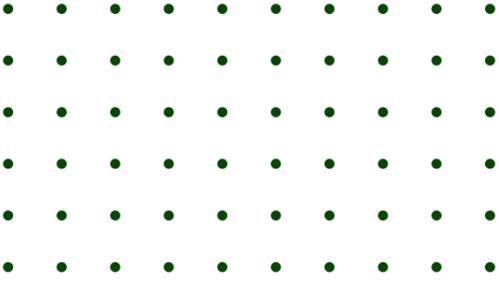
Values

# Personal Values Checklist

- Select 15 values that resonate
- Narrow those to your top 10
- Refine the list to the 5 values that are most important to you.

- Achievement
- Advancement and promotion
- Adventure
- Arts
- Autonomy
- Challenge
- Change and variety
- Community
- Compassion
- Competence
- Competition
- Cooperation
- Creativity
- Decisiveness
- Democracy
- Economic security
- Environmental stewardship
- Effectiveness
- Efficiency
- Ethical living
- Excellence
- Expertise
- Fame
- Fast living
- Fast-paced work
- Financial gain
- Freedom
- Friendships
- Having a family
- Health
- Helping other people
- Honesty
- Independence
- Influencing others
- Inner harmony
- Integrity
- Intellectual status
- Leadership
- Location
- Love
- Loyalty
- Meaningful work
- Money
- Nature
- Openness and honesty
- Order (tranquility/stability)
- Peace
- Personal development/learning
- Pleasure
- Power and authority
- Privacy
- Public service
- Recognition
- Relationships
- Religion
- Reputation
- Security
- Self-respect
- Serenity
- Sophistication
- Spirituality
- Stability
- Status
- Time away from work
- Trust
- Truth
- Volunteering
- Wealth
- Wisdom
- Work quality
- Work under pressure
- Other: \_\_\_\_\_

Source: <https://www.innovativeleadershipinstitute.com/defining-personal-values-for-college-students-erics-story/>



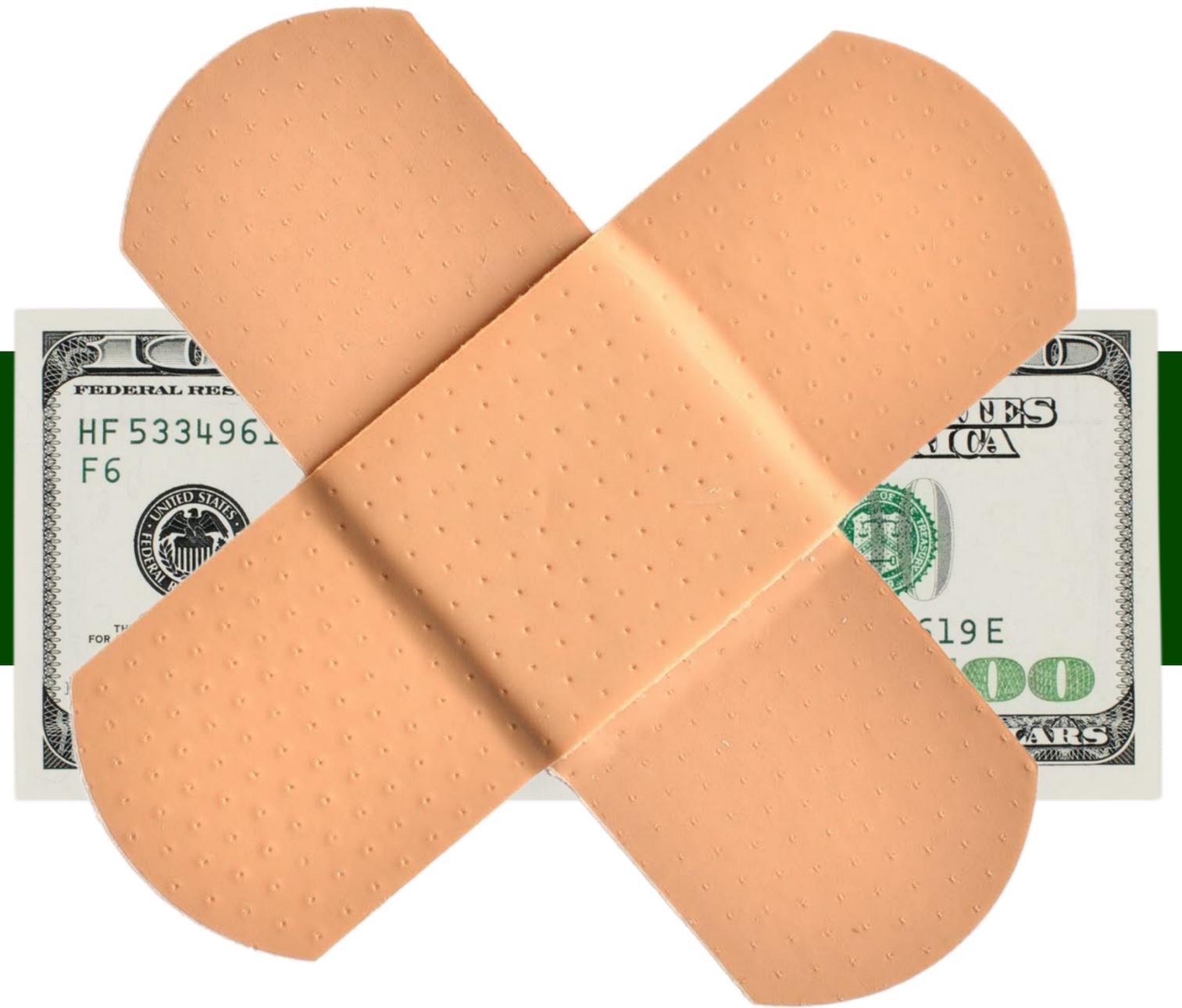
25% of Americans (36% of millennials) reported symptoms of PTSD caused by financial distress.  
– New York Times

The New York Times

“All the News  
That’s Fit to Print”

NEW YORK SUNDAY MAY 24 2020  
VOL. CLXIV NO. 59 703

# Financial Trauma



# Trauma informs every aspect of the financial advising engagement.

A person's trauma will affect their autonomic nervous system (think fight/flight). This is often triggered by difficult topics that bring up old emotions (sex, in-laws, money). This makes meeting with an advisor inherently threatening.

Trauma informs every aspect of the financial advising engagement.

Advisor's trauma will affect how they engage with certain clients  
(remember self-of-the-planner).

Your views on money, couples, family dynamics, politics,  
all affect how you engage with your clients.

Trauma informs every aspect of the financial advising engagement.

Social factors outside the individual (racism, gender discrimination, sexual orientation, political divides, pandemics, etc.) all affect how a client experiences their world.

They bring that world into your office.



# Some Brain Science!

Our brain's job is to keep us safe and functioning, in that order.

- Prefrontal cortex
  - In charge of logic and rational decision making and problem-solving
  - You want this part in charge when dealing with money!
- Amygdala
  - In charge of safety and emotional processing.

When overstimulated, it detaches from the prefrontal cortex, making effective problem-solving an impossibility!

- Physical threat = Emotional threat
- Calming the amygdala and engaging the prefrontal cortex is the highest priority for financial advising!



# Trauma affects...everything.

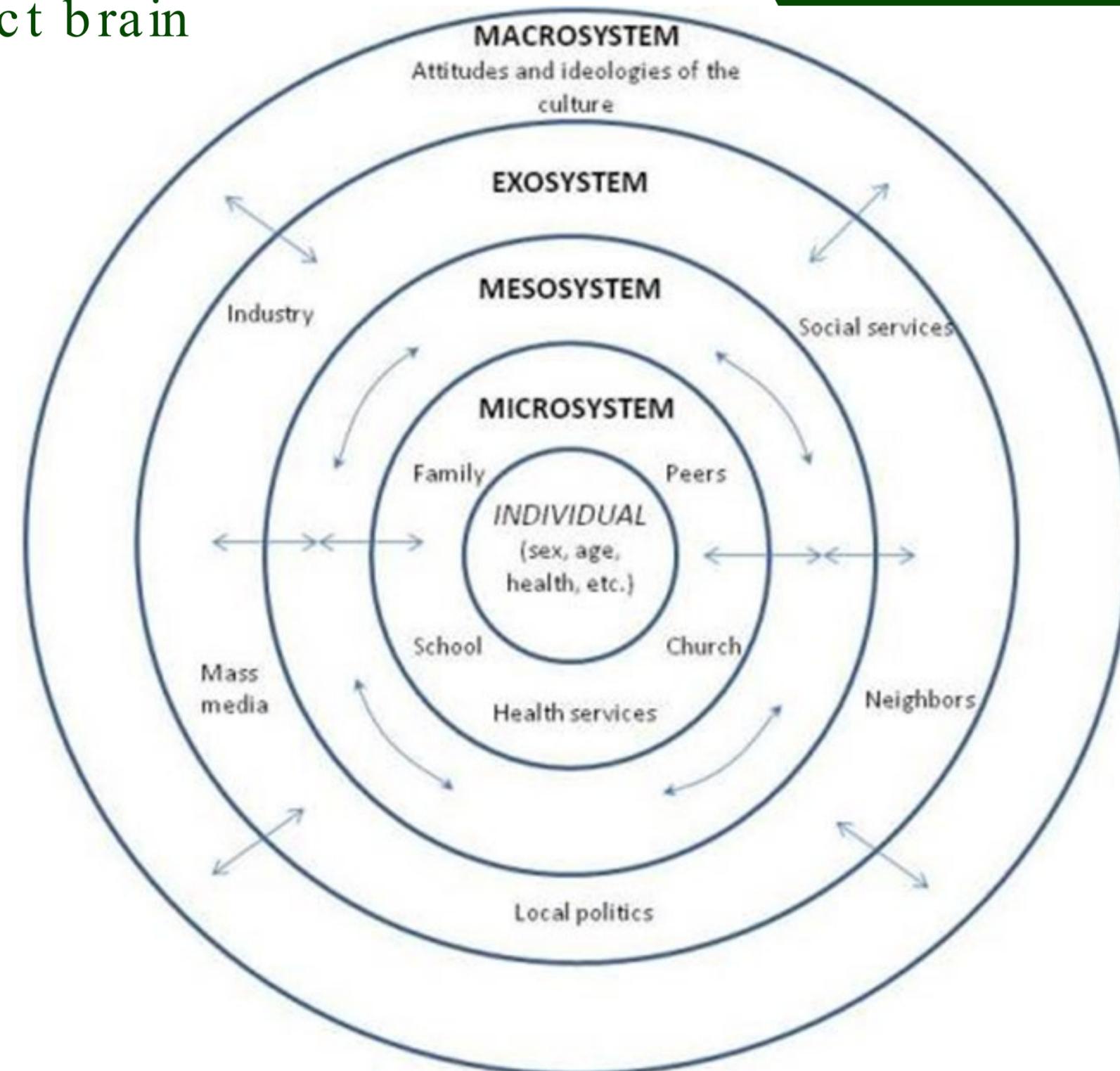
Trauma has been shown to significantly affect brain functioning and override the amygdala.

- Everything is a tiger!

It also affects:

- Relationship satisfaction
- Life satisfaction
- Increased substance use
- Physical health challenges
- Mental health challenges
- Fetal development
- Increased domestic violence
- Increase in crime
- Decreased financial well-being

And more



# CLUES YOUR CLIENT IS EXPERIENCING A TRAUMA RESPONSE

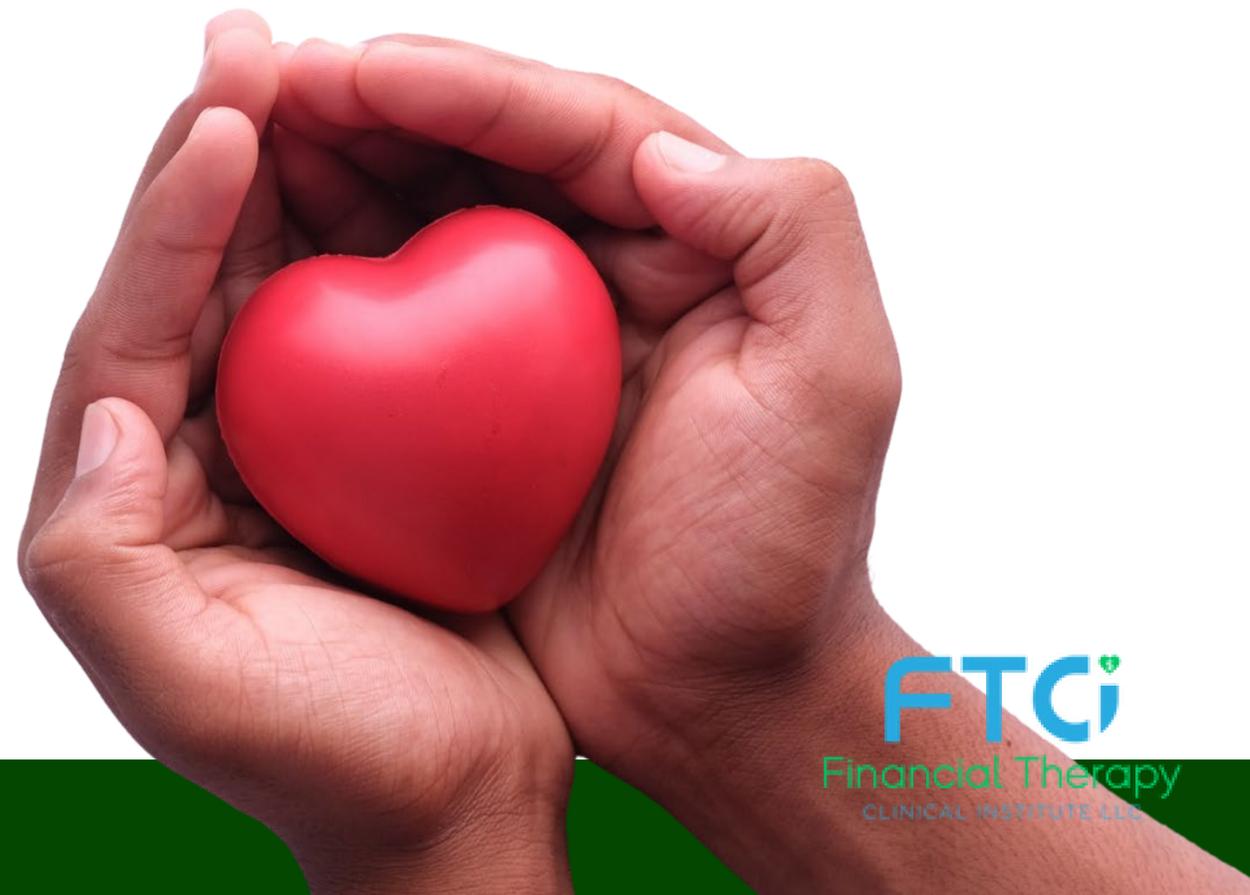
- Replaying memories  
“I can’t stop thinking about taking out that debt in college.”
- Anger  
“I can’t believe I can’t figure this out!! It’s not that hard!”
- Anxiety  
This meeting has definitely caused me some stress this week.”
- Sadness/excessive guilt and shame  
“Why am I so stupid with this stuff? I really screwed up here.”
- Feeling numb/emotionless  
This can look like eyes glazed over, talking about difficult topics in the “super logical”, stuttered or slurred speech, etc.

# CLUES YOUR CLIENT IS EXPERIENCING A TRAUMA RESPONSE

- Avoidance
  - Refuses to talk about certain topics or changes the subject when you ask questions.
- Difficulty Trusting People
  - Resistance to your suggestions, back-talk, pushback, etc.
- Feelings of helplessness/hopelessness
  - “I just don’t know how I’m going to get out of this mess.”
- Panic attacks
  - Increased heart rate, hyperventilation, loss of sensory functioning, lightheadedness, etc.*

- # 1 thing that calms an aroused amygdala is witnessing a calm one from someone you trust.
  - This is why we focused so much on empathy, compassion, and trust building.
- When they go high, you go low.

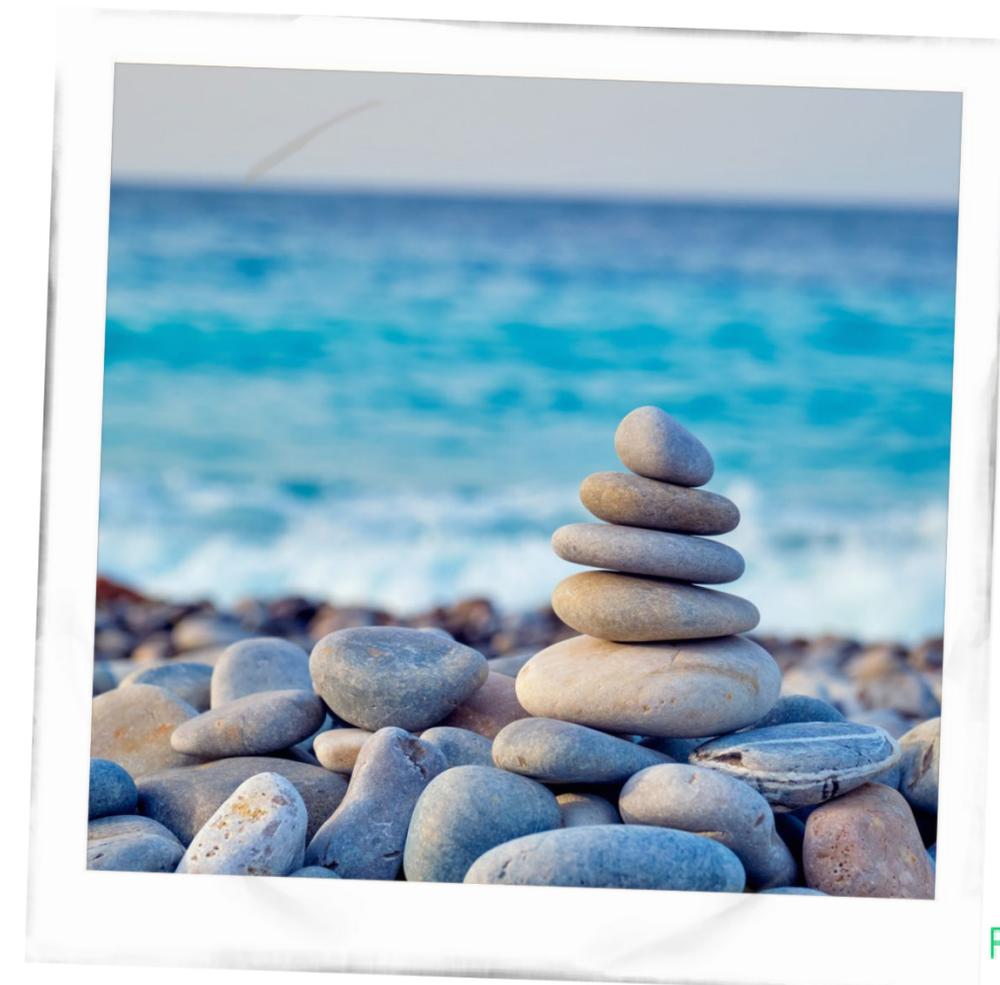
## What Can I Do?



## Learn and teach some mental health CPR:

- Deep breathing exercises (draw the box)
- Mindfulness activities (describe what you can see, smell, hear, and touch in the room)
- Have them imagine going back to a calm place in their mind (real or imagined)

# What Can I Do?



“Money (insert topic here) can be really scary and hard to deal with for a lot of people. I am here to help things be a little easier as we get a plan together, but lots of my clients have found working with a therapist as a helpful way to take the steps necessary as helpful. Sometimes you need just a little extra boost when things are extra hard.”

# What Can I Do?



National Alliance on Mental Illness (NAMI)

Call: 1-800-950-NAMI (6264)

Text: "HelpLine" to 62640

Email: [helpline@nami.org](mailto:helpline@nami.org)

Hours: M-F 10 am to 10 pm ET

Substance Abuse & Mental Health

Administration (SAMHSA) 1-800-662-4354

Psychology Today

Dial 9-8-8

Community Mental Health Agencies

# What Can I Do?

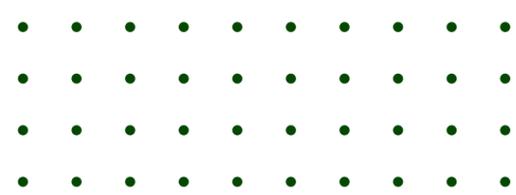




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# Debt Management

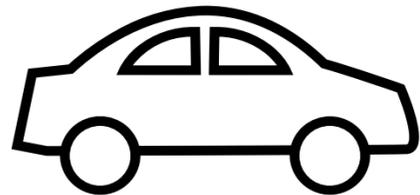




What types of debt are you most commonly seeing among your clients?

# Average Debt in Low-Moderate Income Households in Texas (Q2, 2022)

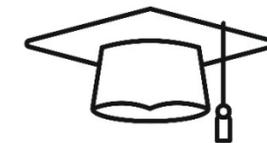
Auto Loans  
\$19,114



Credit Cards  
\$4,418



Student  
Loans  
\$29,319



## **The Student Debt Crisis is a Racial Justice Issue**

Due to the **racial wealth divide**, students of color:

- **Take on more student debt** due to limited generational wealth and fewer financial resources.
- **Are more likely to receive riskier, high-interest loans** due to systemic barriers in credit access and financial support.
- **Face greater challenges in repayment**, leading to longer debt cycles and financial insecurity.

**Structural inequities in wealth, wages, and loan policies deepen the burden of student debt for communities of color—making racial economic justice central to solving the crisis.**

# Coaching Tools & Practices



# Goal Setting for Money and Debt Management

S=Specific

M=Measurable

A= Action Oriented

R=Realistic

T=Time - Bound

E= Evaluate

R= Redefine



# Goal Setting Worksheet



## 1. Choose Your Big Goal

Make it SMART: Specific, Measurable, Achievable, Relevant, Time-bound  
*(Example: "I want to stay hydrated by drinking 8 glasses of water daily.")*

## 2. List Your Goal Steps

Outline actionable steps to reach your goal  
*(Example: Schedule specific times to drink water, bring a water bottle, etc.)*

## 3. Identify Your Obstacles

Anticipate potential challenges that might hinder progress  
*(Example: Forgetting to drink water in the morning, preferring coffee over water, etc.)*

## 4. Make an If-Then Plan

Develop contingency strategies for each obstacle  
*(Example: If I forget to drink in the morning, then I'll have an extra glass with breakfast.)*

# Debt Load Assessment Tool

## What's your debt load?

Comparing your income to how much you owe on certain types of debt can clarify your path.

Enter your total debt in all categories that apply.

Credit card debt

Medical debt

Personal loans

Payday loans

Tax liens, unpaid judgments

Collections

Total

**\$0**

Gross annual income (required)

# Debt Management Strategies

**Snowball:** Focus on paying off your smallest balance first. Put any extra money toward that account while continuing to pay the minimums on other balances.

**Avalanche:** Focus on the debt with the highest interest rate first (while paying minimums on the others), then the next highest rate, etc.

**High Credit Utilization:** Focus on paying down your credit cards with the highest credit utilization — the highest percentage of the credit limit being used. Credit utilization plays a big role in your credit score, so this strategy may significantly improve your credit score.



# Debt Management Strategies

## Debt Consolidation

Take your high-interest credit card balances, and roll them into one monthly payment, ideally at a lower interest rate.

# Debt Consolidation

## Advantages

- Simplify your debt repayment
- Get a fixed monthly payment
- Lower your interest rate
- Repay your debt more quickly
- Improve your credit (maybe)

## Disadvantages

- Improve your credit (maybe)
- Not a magic fix
- Might not get a lower interest rate

# Third-Party Debt Management Options

## When to Use:

- If you can't pay off unsecured debt within 5 years
- If total unsecured debt equals 50% or more of your gross income

**Debt management plan**

**Debt settlement**

**Bankruptcy**

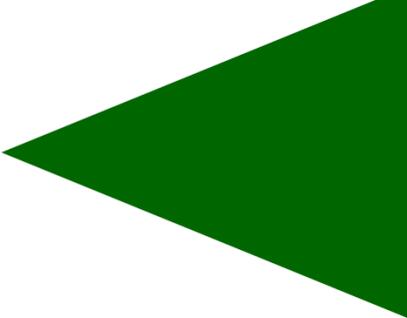
# Non-Negotiables in Money & Debt Management

# Non-Negotiables in Money & Debt Management

## Questions for clients to ask themselves to identify spending priorities:

- What is my philosophy on paying for college for my children?
- How much financial support do I need to provide to other family members?
- How important are schools in considering where I want to live?
- Is tithing or a religious contribution a priority?

# Other Ways to Define Non-Negotiables



## **The 50/30/20 Reflection:**

Instead of focusing only on budgeting percentages, guide clients to assign meaning to their spending. Which categories are non-negotiable, and which are flexible?

## **The ‘What Would You Cut?’ Exercise:**

If a client had to reduce their spending by 20%, what would they protect at all costs? This can reveal deeply held priorities.

## **A Personal Values Alignment Check:**

Similar to our earlier values exercise, help clients assess whether their spending habits align with their values—and if not, what adjustments need to be made.



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**We want your  
feedback!**

**Please complete our  
survey  
when the webinar  
ends.**

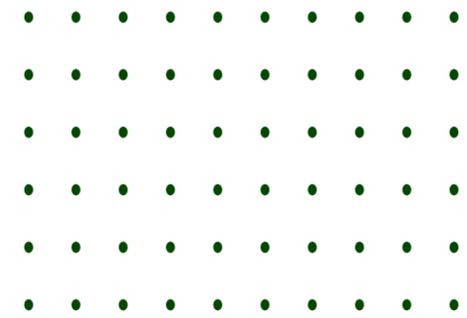
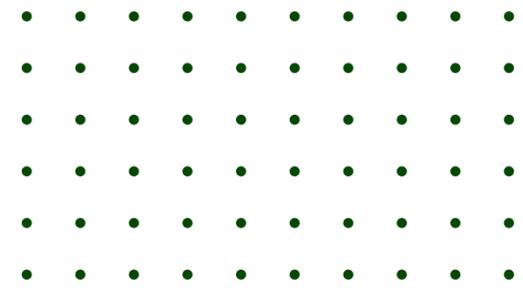
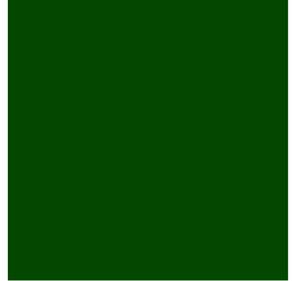
# RESOURCES

<https://goodsensemovement.org/spending-priorities-non-negotiables/>

<https://www.hofstede-insights.com/country-comparison-tool>

<https://advanced-hindsight.com/blog/a-how-to-guide-for-setting-better-goals/>

<https://www.nerdwallet.com/article/finance/pay-off-debt>



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# Contact us

