PERSONAL FINANCE

Military Families Learning Network

Ethics and Empathy in Personal Finance

Thanks for joining us! We will get started soon.
While you're waiting you can get handouts etc. by following the link below.

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This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, and the Office of Military Family Readiness Policy, U.S. Department of Defense under Award Number 2015-48770-24368.

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Today's Presenter

Dr. Michael Gutter

Associate Dean for Extension - State Program Leader for 4-H Youth Development, Families and Communities for the Institute of Food and Agricultural Sciences at the University of Florida.

Gutter's outreach projects include Managing in Tough Times, Florida Saves, Get Checking, Military Family Learning Network, and the Florida Master Money Mentor. His projects focus on enabling access to resources and services as well as improving people's knowledge and understanding about family resource management.

Ethics and Empathy

Dr. Michael S. Gutter
Associate Dean for Extension and State Program Leader 4-H, Families and Communities
#UF_IFAS #MFLN #MFLNPF #PFVLE2018

Objectives

- Defining empathy
- Review of Relevant Ethical Standards
- Do ethics and empathy always produce the same preference?
- Balancing empathy and ethics

WHAT IS EMPATHY?

Big on client wish-lists for their financial professionals

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- Sensing what others are feeling, recognizing those feelings in others we interact with or observe
  - Affective empathy
- Can imagine what one might be feeling
  - Cognitive empathy

IS empathy…

- Intuitive?
- Something we can learn?

Types of empathy

- Cognitive – intellectually appreciates what one is feeling
- Emotional – gets what someone is feeling
- Compassionate – understanding which motivates action

Does having empathy mean we will always help people we sense a need in?

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WHY IS EMPATHY IMPORTANT FOR THE WORK WE DO?

What do you think?

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Importance

- Building trust
- Engendering follow through
- Establishing a more long term relationship
- Helping clients that much more…

What are some barriers to being more empathic?

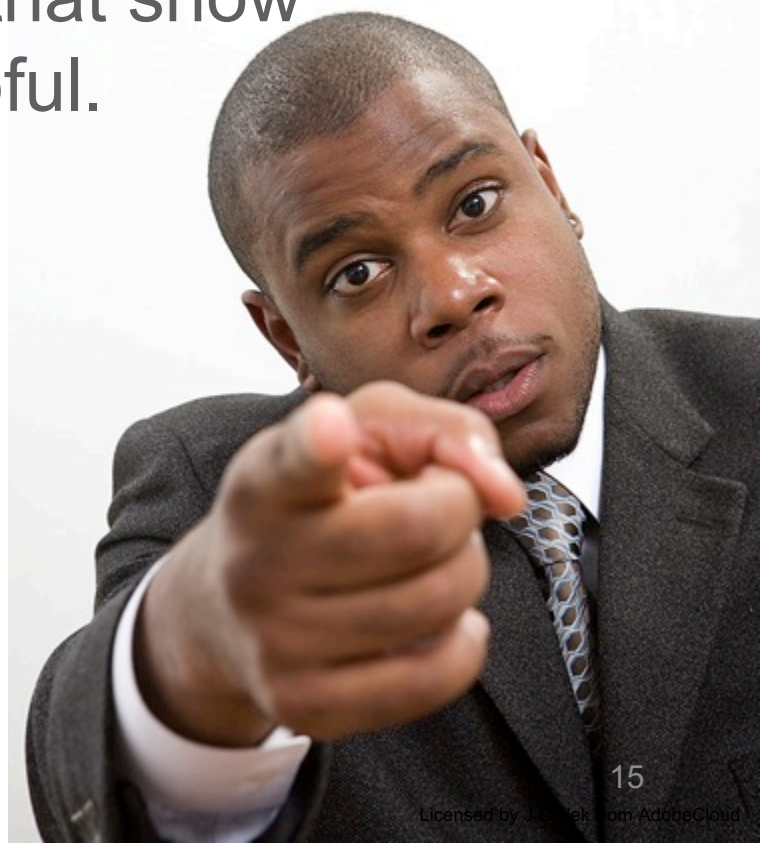
Not being present in the conversation…

Not paying attention or being mindful

Barriers

Feeling someone's emotions, but not knowing what to do

Basic supportive messages that show you are listening can be helpful.
Mind the tone of your voice,
your posture



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EXAMPLES OF SUPPORTIVE MESSAGES

- I would be asking the same questions as you
- I can understand why you would be frustrated
- So what you are saying is…
- How were you feeling when XX occurred?

What are barriers to being more empathic?

Not mirroring their feelings, but knowing what they feel…

Cognitive empathy

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Some steps to consider

Know yourself…

- This may require conscious effort if this is not how you always approach client interactions
  - Personality differences can be in play

- Acknowledge that this is important to building trust, helping your client make long term changes, earning their loyalty/endorsement

How can we know?

- Many assessments out there
  - E.g. True Colors
  - Strengthsfinder
- If you are familiar with True Colors, what color am I?

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Steps to consider

Reflect on your perceptions

Discuss with the client, show you that you were not just hearing his or her words, but you understood how that made them feel

- I hear you say, you seem to be

“Talking about saving for the future seems to make you very thoughtful…would you like to tell me more about what you are thinking?”

What can we do with ourselves?

- Become curious about others
  - What their lives might be like
- Challenge assumptions, biases, become educated about other cultures
- Walk in someone else's shoes
  - Our poverty simulation is a good example

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Before you get into too many details…

Know the client

- Not just listening, watching, observing… non-verbal cues too
- What makes him/her/them anxious to discuss?

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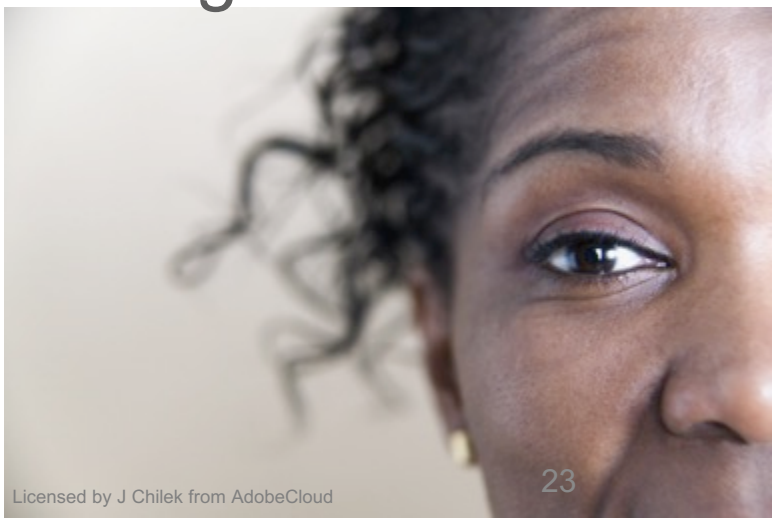
Know the Client

- Be an active listener
- Get to know them personally
- Ask questions about extended family, other interests, community involvement…
- Connect their goals to their feelings and values to show you understand



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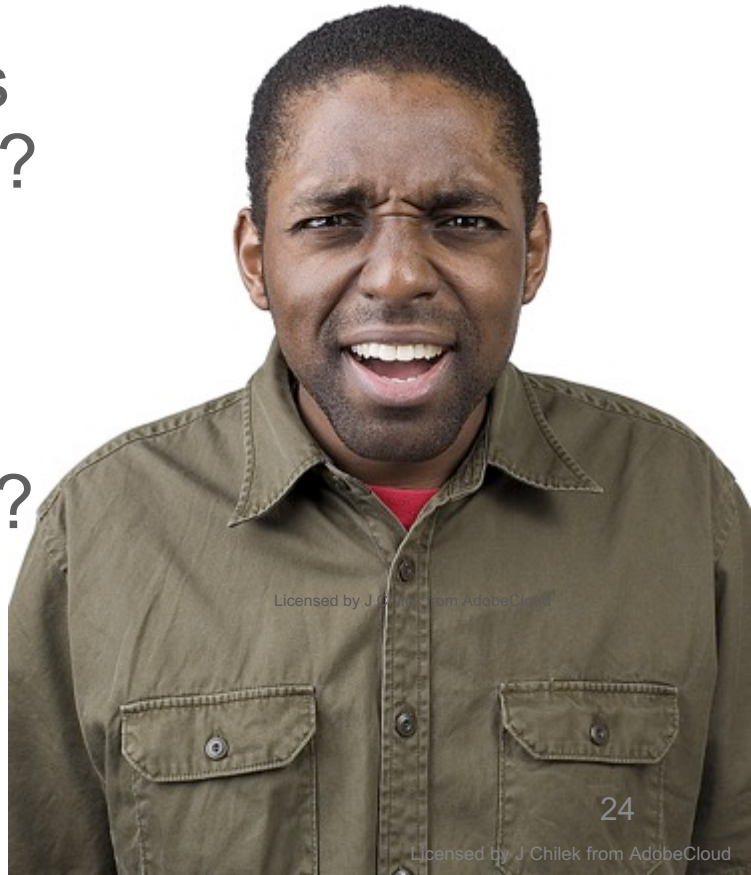
What things might we observe?

What is your client's facial expression telling you?

- Do they seem content, concerned? … how does this vary with the subject?
- Does he or she make or avoid eye contact when discussing certain topics?



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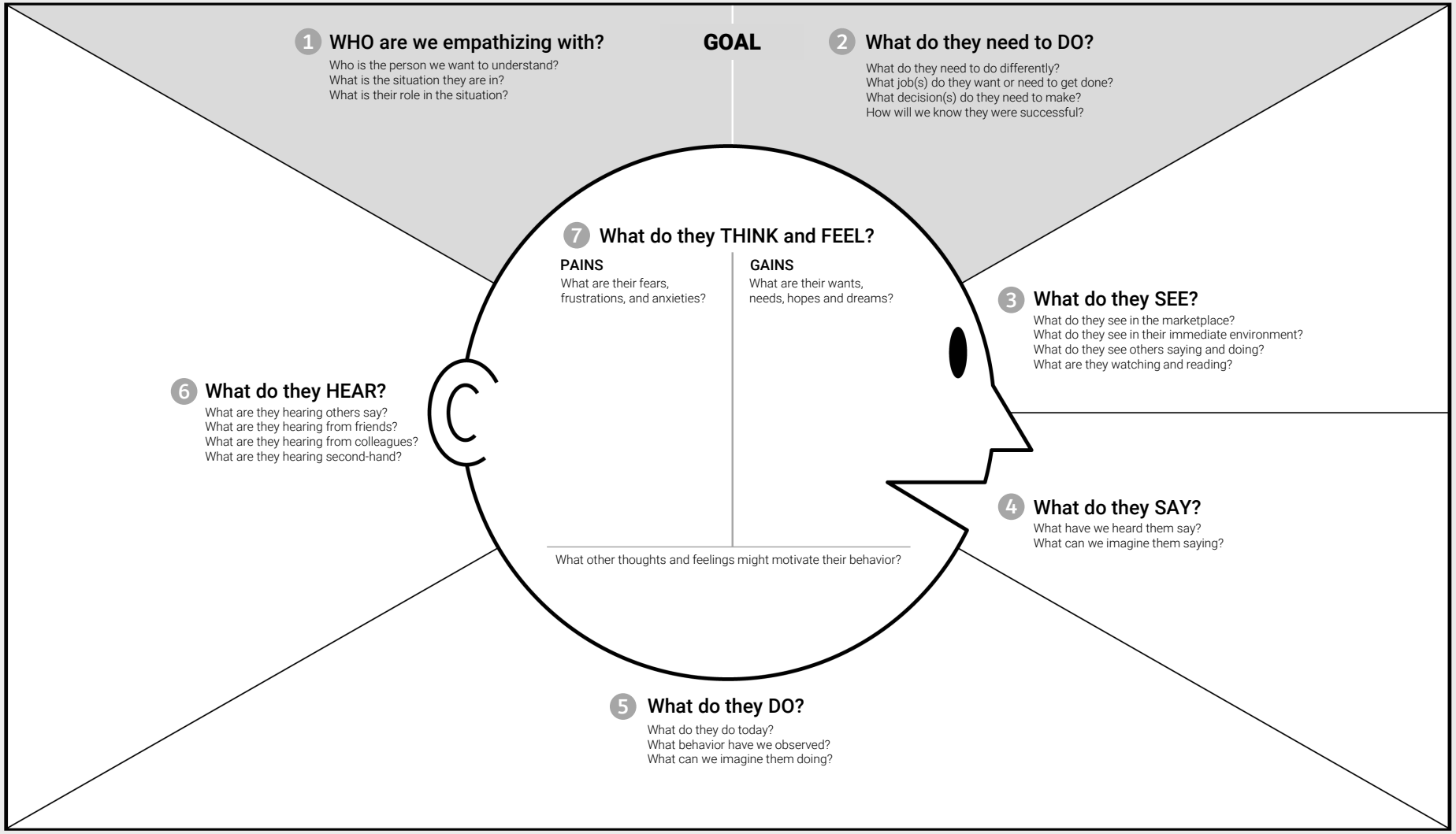
What things might we observe?

- Not just what they say, but how they say it…
  - What is his/her/their tone of voice?
  - Are their words consistent with their tone?
- What about how he or she is sitting? Or other gestures?
  - Leaning in to show interest? Sitting back with arms folded?
  - Covering their mouth or fidgeting with hands?

EMPATHY MAPPING

Empathy Map Canvas

Designed for:	Designed by:	Date:	Version:



Last updated on 16 July 2017. Download a copy of this canvas at http://gamestorming.com/empathy-map/

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Integrate this into your relationship

- If there are meetings or transactions, consider your relationship, their feelings in how you communicate

- Think of even a transaction as an interaction, not just a task…
  - How will they react to the information?
  - How do you communicate?
  - What do you suggest?

Some things are essential

Make a personal connection before talking business

- We used to call this building rapport but it really needs to go deeper

How is empathy related to compassion?

- “Compassion is a pain at an impression of destructive or painful evil as befalling one who doesn’t deserve it, and which one might expect oneself or someone close to oneself to suffer, when it seems nearby.”
  - Aristotle

- Sympathetic pity and concern for others…
- Several sources denote it is “to suffer with others”

TOO MUCH OF ANYTHING CAN BE … WELL, NOT GOOD

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Empathy vs. Sympathy

- Sympathy is the perception of the suffering of another
- Sympathy implies you share their feelings, not all forms of empathy imply this…
- Empathy implies understanding on an intellectual level
- Difference is then nuanced.

Too much

- Exhaustion from “caring too much”
- Sacrificing of yourself emotionally, mentally, financially
  - Or your clients may be too compassionate with others

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What are ethics?

- When we say that someone or something is ethical, what do we mean?
- Why are ethics important?

Toh Kheng Ho/Photospin

Relevant because:

- They are intimately grounded in who we are.
- They are fundamentally important to our work with clients and colleagues.

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What is the difference between morals and ethics?

- Morals – Principles about what is right and wrong
- Ethics – Principles of right conduct (derived from those moral principles)
- Empathy
- Sympathy

Stuart Miles/Photospin

What is the relationship among these?

- We may understand someone’s feelings
- We may even feel those feelings ourselves and want to help
- But maybe it is not really appropriate for us to do so
- Maybe in feeling someone's desperation, we can miss warning signs of other issues that should be red flags…

LETS REVIEW OUR RELEVANT ETHICS

Military Standards of Ethical Conduct

Primary Ethical Values:

"DoD employees should carefully consider ethical values when making decisions as part of official duties."

•Honesty. Being truthful, straightforward and candid are aspects of honesty.

•Truthfulness is required. Deceptions are easily uncovered and usually are. Lies erode credibility and undermine public confidence. Untruths told for seemingly altruistic reasons (to prevent hurt feelings, to promote good will, etc.) are nonetheless resented by the recipients.

•Straightforwardness adds frankness to truthfulness and is usually necessary to promote public confidence and to ensure effective, efficient conduct of Federal Government operations.

Military Standards of Ethical Conduct

- Truths that are presented in such a way as to lead recipients to confusion, misinterpretation or inaccurate conclusions are not productive. Such indirect deceptions can promote ill-will and erode openness, especially when there is an expectation of frankness.

- Candor is the forthright offering of unrequested information. It is necessary in accordance with the gravity of the situation and the nature of the relationships. Candor is required when a reasonable person would feel betrayed if the information were withheld.

- In some circumstances, silence is dishonest, yet in other circumstances, disclosing information would be wrong and perhaps unlawful.

- Integrity. Being faithful to one's convictions is part of integrity. Following principles, acting with honor, maintaining independent judgment and performing duties with impartiality help to maintain integrity and avoid conflicts of interest and hypocrisy.

Military Standards of Ethical Conduct

- Loyalty. There are many synonyms for loyalty: fidelity, faithfulness, allegiance, devotion and fealty. Loyalty is the bond that holds the nation and the Federal Government together and the balm against dissension and conflict. It is not blind obedience or unquestioning acceptance of the status quo. Loyalty requires careful balancing among various interests, values and institutions in the interest of harmony and cohesion.

- Accountability. DoD employees are required to accept responsibility for their decisions and the resulting consequences. This includes avoiding even the appearance of impropriety because appearances affect public confidence. Accountability promotes careful, well thought-out decision-making and limits thoughtless action.

- Fairness. Open-mindedness and impartiality are important aspects of fairness. DoD employees must be committed to justice in the performance of their official duties. Decisions must not be arbitrary, capricious or biased. Individuals must be treated equally and with tolerance.

- Caring. Compassion is an essential element of good government. Courtesy and kindness, both to those we serve and to those we work with, help to ensure that individuals are not treated solely as a means to an end. Caring for others is the counterbalance against the temptation to pursue the mission at any cost.

Military Standards of Ethical Conduct

- Respect. To treat people with dignity, to honor privacy and to allow self-determination are critical in a government of diverse people. Lack of respect leads to a breakdown of loyalty and honesty within a government and brings chaos to the international community.

- Promise Keeping. No government can function for long if its commitments are not kept. DoD employees are obligated to keep their promises in order to promote trust and cooperation. Because of the importance of promise keeping, it is critical that DoD employees only make commitments that are within their authority.

- Responsible Citizenship. It is the civic duty of every citizen, and especially DoD employees, to exercise discretion. Public servants are expected to engage personal judgment in the performance of official duties within the limits of their authority so that the will of the people is respected in accordance with democratic principles. Justice must be pursued and injustice must be challenged through accepted means.

- Pursuit of Excellence. In public service, competence is only the starting point. DoD employees are expected to set an example of superior diligence and commitment. They are expected to be all they can be and to strive beyond mediocrity.

(Source: DoD 5500.7-R Joint Ethics Regulation (JER) http://www.dtic.mil/whs/directives/corres/pdf/550007r.pdf)

AFCPE® (AFC®) Code of Ethics

AFCPE Code of Ethics®

Counselors certified by AFCPE® pledge to maintain the following ethical standards:

- Conduct myself in a credible manner, striving for excellence in providing services with competency, diligence, promptness and care to the best of my ability.
- Grow in professional practices, keeping abreast of industry developments and striving to improve my professional competency through continuing education.
- Exhibit personal and professional honesty and integrity in advising and counseling clients.
- Recognize my limitations and refer clients when appropriate.
- Maintain high standards of ethical conduct according to the objectives of the institution with which I am affiliated.
- Respect the privacy of clients and the confidentially of the client/counselor relationship in all matters pertaining to the course of professional service, revealing client information of any kind to others only with the expressed, informed consent of the client.
- Accept compensation that is fair and reasonable, and assist clients in finding other services if my fees are not affordable.
- Avoid any act or omission which violates the relevant criminal laws of any State of the United States or any province, territory, or jurisdiction of any other country.
- Report any felony related to the practice of the profession or which brings disrepute to the profession or any lesser crime which involves misrepresentation, fraud, extortion, misappropriation or theft or any conspiracy to commit such a crime to the AFCPE® Executive Board.
- Report any professional suspension by a governmental or industry self-regulatory authority of a license.
- Make no false or misleading statements to the Executive Board of AFCPE®, its Certification Program Committee or its Professional Review Board.
- Respond in a timely fashion to all requests of the Executive Board of AFCPE®, its Certification Program Committee or its Professional Review Board.

**Adapted with permission from the American Psychological Association Code of Ethics*

AFCPE®

https://www.afcpe.org/resource-center/professional-standards/code-of-ethics

Case Study Discussion

Case Study #1

Amanda is a relatively new AFC® professional. She has been brainstorming ways to solicit new business, and makes a list of family members, friends, and acquaintances to call on for initial business.

After talking with Amanda, her sister Tonya and her sister's partner Harley decide they could use a financial plan and would like Amanda to make recommendations.

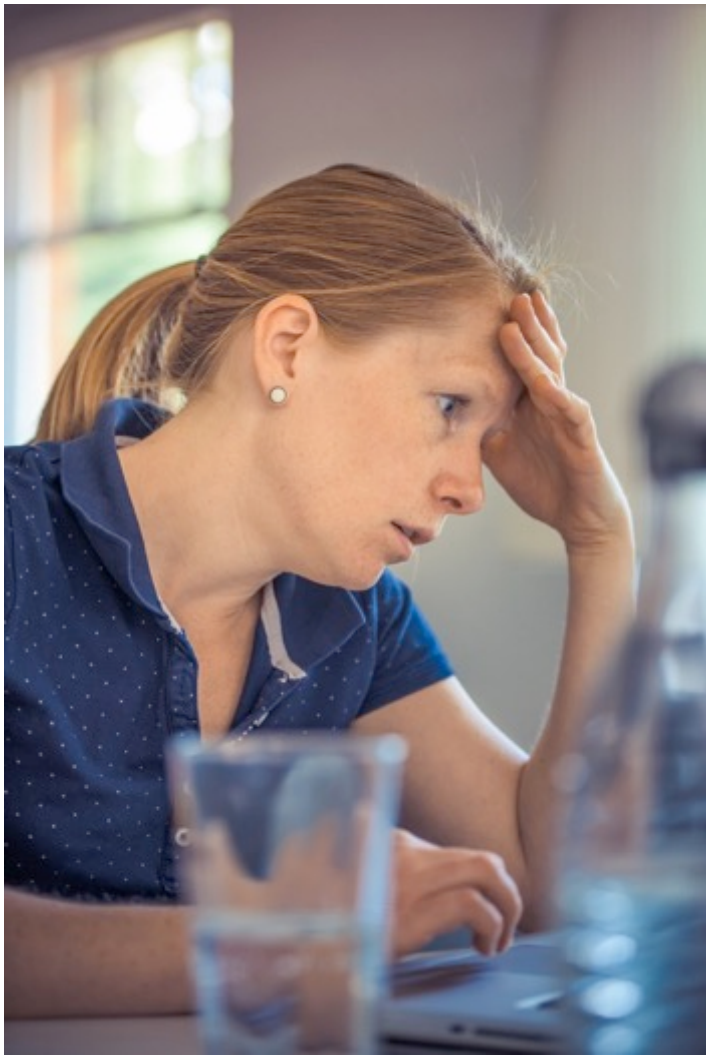
Amanda knows she must disclose to her clients any actual or perceived conflicts of interest, so she discusses with them the potential conflict of advising a family member.

Amanda tells them that they would need open communication to explore their values, attitudes, expectations, and time horizons as they affect their goals, needs, and priorities.

Amanda reminds them that she would need full disclosure, including in-depth quantifiable financial information, to be able to complete a comprehensive financial plan and make recommendations that would be in their best interests.

StartupStockPhoto/Pixabay, CC0

Case Study #2



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As a financial counselor in an EAP, you meet with a young retail employee who was mandated to see you to address her financial situation.

You learn that the employee had been found in the pharmacy area of the store where she did not work and was not authorized to enter.

The young woman shares with you that her mother is very ill and had lost her job.

Her mother's income had provided most of the financial support for the household, which included the client and her two younger siblings.

The cost of her mother's medications had only just been manageable within the already strained household budget before the job loss, and your client feels desperate because it doesn't seem possible for them to make ends meet now.

Case Study #3

Two new clients are waiting in the lobby of your financial counseling clinic for a session.

One client is waiting alone and is dressed professionally while the other has a small, crying child with her and is disheveled and frazzled.

Which client would you expect to be better at managing and saving money?

Scott Griessel-Creatista/Photospin

Case Study #4

Several clients, employees of a local Fortune 500 company, have sought financial counseling over the last several weeks in preparation for job loss.

You learn during their sessions they have each been notified of a large planned layoff, but the news has not yet been made public.

You own shares in this company and trading shares on this news could gain you $5,000 or more, which could really help jumpstart your children's college education savings fund.

lev dolgachov/Photospin

Case Study #5

When sitting down with a new client, your colleague see she is younger, no ring on her finger. Your colleague begins the intake process and start gathering information. She asks the client if she seeing someone or planning to get married.

Todd Arena/Photospin

She says that's not a priority. Your colleague says, "But don't you want to have kids?" The client responds, "I am focusing on my career at the moment."

The conversation continues for a while longer. In the end, your colleague feels the client wouldn't open up to her. She asks you for your take…

Case Study #6

During your annual review, your center manager asks you to reduce the amount of time you're spending counseling each client by a third, so that you can increase the number of daily client meetings. You are expected to maintain the quality of your counseling work.

Your manager tells you all the center's financial counselors will be expected to meet the same performance metrics and that raises and promotions will be based on meeting or exceeding these new metrics.

Unsplash/Pixabay

Case Study #7

A mortgage lending agent you've met through networking events at your local Chamber of Commerce thinks the personal finance guidance you offer could really help some of her clients better prepare and qualify for mortgages and more successfully manage the mortgages they get.

She offers to refer clients to you, but she asks if you would be willing to offer a small referral fee in return, given that referrals would represent a financial value to you as a small business person.

Daniela_oliiver/Pixabay

Case Study #8

Your colleague Marcus walks into his office and sees that there are two gentlemen who urgently need to see you.

One is an officer and the other just came back from his first tour.

You know their military rank as both are in uniform. They asked Marcus for reading material while waiting for their appointment.

There were two magazines; Marcus offered the choice to the officer. Marcus asked the officer if he wants to go first since his time is more challenged.

The other man looks at his watch and fidgets, Marcus proceeds to bring the officer into your office.

The door shuts, and the officer is not happy. Why?

Master Sgt. Michel Sauret/dvidshub.net

PERSONAL FINANCE

Military Families Learning Network

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Evaluation

We invite you to evaluate the entire Personal Finance Virtual Learning Event, so please complete this evaluation after the LAST session you plan to attend:

https://vte.co1.qualtrics.com/jfe/form/SV_cCnYjc9xdB6NVwp

Continuing Education Units

MFLN Personal Finance grants 1.5 credit hours for today's webinar for AFC-credentialed participants through AFCPE and CPFC-credentialed participants through FinCert.

Please complete the post-test at:
https://vte.co1.qualtrics.com/jfe/form/SV_9QuE6pLv0weXgZD

Must pass post-test with an 80% or higher to receive certificate.

2018 Personal Finance Virtual Learning Event

Communication Essentials for Financial Professionals

- Thursday, June 7, 2018
- 11:00 am – 12:30 pm Eastern
- Location: learn.extension.org/events/3322

Capstone Discussion

- Thursday, June 7, 2018
- 1:00-1:30 pm Eastern
- Location: learn.extension.org/events/3329

For more information on MFLN Personal Finance go to:
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