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Expand Your Clientele Through Cultural Diversity

by Julie Anne Ragatz

> Overcome biases and find success in diverse markets

In recent years, there has been a great deal of buzz regarding the importance of tapping into diverse markets. Astute financial services practitioners have long recognized the value of expanding into non-traditional markets. The ability to effectively cultivate relationships with growing diverse populations represents a tremendous opportunity for the financial services professional.

However, many practitioners doubt they can be successful in reaching out to diverse markets. They believe these markets are inaccessible because of their own racial, ethnic or religious profile. But this is not the case. Experience shows that success is not contingent on being from the same identity group. Success in working with diverse populations often does not begin with overcoming the biases of potential clients. It begins with taking a hard look at our own pre-conceptions and, most importantly, with being willing to listen.

OVERCOMING OUR DISEASE

Maria Lugones, in “Playfulness, World-TRavelling and Loving Perception,” her paper on cross-cultural relationships, discusses how we can be at ease in our own environment, or as she calls it, our world.

“The first way of being at ease in a particular world is being a fluent speaker in that ‘world’. I know all of the norms that there are to be followed, I know all the words that are to be spoken. I know all the moves. I am confident.”

Often what keeps practitioners from exploring diverse markets is the fear they may misspeak and offend their prospect, however inadvertently. When operating within our own world we know the rules of the game. In our own world we are confident we can express ourselves because we operate in a space of shared assumptions and beliefs. We speak the same language. Therefore, the first lesson is to overcome our disease of new and challenging encounters. Exposing oneself to potential failure is a courageous act, and the potential rewards, both personally and professionally, are worth it.

LETTING GO OF STEREOTYPES

For some financial services providers, the focus is on discovering the general characteristics of diverse populations. For example, that Hispanics tend to be family oriented and Asians tend to be savers who understand the importance of planning for the future. Empirical research regarding preferences of diverse markets can be useful. But an over-reliance on data can prevent us from dealing with people as individuals. Specifically, it prevents us from learn-
The trusted advisor deals with the whole person as she is found within the context of her own life.

This can be challenging when dealing with clients from diverse backgrounds and this difficulty is compounded by different interpretation of words whose definitions seem familiar to us. For example, family to an Anglo, upper-middle-class male is likely to mean his spouse and his biological children. But family may mean something quite different to a woman of Indian heritage (whose understanding of family may include multiple generations) or to a gay couple (whose relationship is not legally recognized by the state). The trusted advisor needs to be open to these various interpretations and more importantly, not impose her interpretations on the client. The willingness to actively listen can be a humbling and challenging experience for the practitioner.

DEVELOPING CULTURAL COMPETENCE

Cultural competence operates at two levels: technical knowledge regarding the financial planning needs of the client and knowledge of how the client’s identifying characteristics influence their needs, values and purposes. As we have discussed, knowledge of the latter can only come from the client through a series of interviews in which the advisor actively listens and hears the client’s narrative. More than a general knowledge of Hispanic or Asian culture, we need the skill set necessary to elicit the client’s personal narrative in her own words. By overcoming our disease and letting go of stereotypes, we are a good part of the way there.

But identity groups are identity groups for a reason; they share not only a cultural history but also daily experiences that can shape the way they perceive the world. I have focused on the importance of listening and learning from the individual, acknowledging that each individual has a unique world of her own—but this does not discount the fact that experience operating in diverse markets can provide a unique source of general knowledge about tendencies and commonalities. This knowledge can be very helpful in providing a sort of road map to guide the advisor through the initial conversations.

This knowledge can be acquired not only through repeated interactions with clients who have an affiliation with a particular identity group, but also through engaging in the communities you wish to serve. The emphasis cannot be on learning about different communities, but on learning from. This can be done in many ways: by frequenting local restaurants and sporting events, volunteering at local charities and becoming active in social and networking organizations that attract a diverse membership. A word of warning: Your sincerity (or lack thereof) will be readily transparent to groups accustomed to outsiders appropriating their symbols and languages in order to make a profit. This leads me to my last piece of advice.

MAKING A COMMITMENT AND STICKING TO IT

Working with diverse markets is a sure-fire way to expand your practice. Indeed, given the rapidly changing demographics in the United States, it is difficult to see how advisors can maintain a sustainable practice without reaching out to new markets and communities. However, success will not come through being a dabbler—that is, treating diverse markets as a tangential addition to one’s business. Building trust with members of diverse groups can be a long-term process involving both emotional and material resources. The advisor needs to establish that she is interested in learning from the client and understanding her needs, values and purposes from her own perspective. This may take time. The rewards are more than merely professional; we grow as individuals as we “world-travel,” to use Lugones’ term. We can expand our vision by seeing the world through the eyes of others and trying on their interpretations of familiar words. We can bring this knowledge back to our own communities and share what we have learned on our travels with our families and loved ones. But most importantly, we can serve the interests of an entirely new set of clients in meaningful and significant ways.