

On the Construction of Financial Trauma Theory: For Black Women's Sake
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Abstract

Black women are effective wealth generators. But the violent economic imperative thrust upon them ensures that they are effective wealth generators for others and not themselves. How we choose to interact with and support the most purposely ignored and economically vulnerable populations will depend more on how we place their financial trauma in context rather than how we label their economic behavior. Since we know trauma permanently shapes a person's behavior and worldviews, it is imperative to recognize how trauma is relevant to a person's socioeconomic experiences and wealth-building capability. This essay makes the claim that we cannot understand wealth inequality and how to close the gender and racial wealth gap without a thorough conceptualization of financial trauma. The pervasiveness of Black women's financial trauma requires us to pay attention now and urges us to develop more adequate solutions to close the wealth gap.

“Trauma is an experience, series of experiences, and/or impacts from social conditions, that break or betray our inherent need for safety, belonging, and dignity. They are experiences that result in us having to vie between these inherent needs, often setting one against another... This is untenable, because all of these needs are constitutive or inherent in us.”

- Staci K. Haines in *The Politics of Trauma: Somatics, Healing, and Social Justice*

If you ask people what we should be talking about if we want to close the wealth gap, they are likely to bring up methods of increasing material wealth only – home ownership, investments, reducing debt. They may also allude to access to capital for entrepreneurs. But to truly understand the gender and racial wealth gap, we must shift our attention away from the materiality of wealth and more toward the contexts that make wealth inequality such a damaging and intractable struggle for purposely ignored populations. Wealth inequality is most informed by the nexus between wealth and trauma, where much of a person's wealth-building capability is influenced. Black women's unique struggle against wealth inequality fully embodies this conceptualization. By studying how Black women are structurally positioned to experience socioeconomic harm and economic violence (e.g., wage gaps, classifying workers as 1099s when they are really W-2s, unpaid parental leave), we gain important insight into how we might close the gender and racial wealth gap and heal financial trauma.

I define financial trauma as the response to the cumulative harming of a person's wealth-building capability cause by events, actions, policies, and cultural messages that inequitably reinforce a person's socioeconomic condition or positioning.¹ Put differently, it is the effect of being *required* to experience economic violence, financial abuse, financial shaming, and/or (chronic) financial stress to secure material safety, achieve financial security, and build material wealth.² The pervasiveness of financial trauma has reached a crisis point, but it is not new. In fact, Black women have been sounding the alarm and sharing their adverse socioeconomic experiences for decades. We likely missed it because some of the earliest instances to bear witness to their unique struggles occurred in Black women's twentieth

century fiction and later what scholars would call ‘sistah lit’ or ‘chick lit.’ There are three examples that come to mind.

In *Quicksand*, Nella Larsen masterfully develops the character, Helga, to depict how Black women’s bodies are trapped by social constriction, their structural socioeconomic positioning, and their biology. Really, Helga’s body becomes the testing ground for this conceptual reality.³ Decades later, Ann Petry developed the main character Lutie in *The Street* to expand on this idea. Given how hyper-surveilled Lutie is, namely by the character Junto, Petry demonstrates how systemic structures of power create a culture where Black women are forced to struggle against damaging economic imperatives and sexist and racist forms of hatred. By highlighting how Black women are often the objects of spectatorship and surveillance, Petry “express[es] not merely the burden a Black woman faces as the object of both racism and sexism, but also the degree to which these forms of hatred can treacherously morph into one another” and influence their financial experiences.⁴ Finally, at the height of the sistah lit era, Terry McMillan introduces us to Zora Banks in *Disappearing Acts*. The hyper-intensive conversations between Zora and her love-interest Franklin Swift represent the broader cultural tensions between Black women and Black men, particularly around their socioeconomic positioning and economic imperatives. Their wildly disparate visions for liberation reflect how easy Black women’s unique and often more intractable economic struggles are discounted and suggest why there is still a deep rift in approaches to racial progress and economic prosperity more broadly.⁵

These narratives expose meaningful truths about wealth, trauma, and healing. The goal of this essay is similar. This essay makes the claim that we cannot understand and close the gender and racial wealth gap until we contextualize and prioritize Black women’s financial trauma. As such, I will demonstrate how enduring centuries-long economic violence, financial abuse, financial shaming, and financial trauma has become an imperative for Black women to secure material safety and build material wealth. The pervasiveness of Black women’s financial trauma requires us to pay attention now and urges us to develop more adequate solutions to close the wealth gap.

Constructing my Theory on Financial Trauma

Rather than medicalizing the concept of financial trauma or diluting its impact on wealth-building capability by over-relying on statistics to capture the multi-layered texture of the concept, I offer a theory that speaks to the extensiveness of the horrors and violence that Black women are required to experience as an imperative to secure material safety and build material wealth. I define material safety as an understanding - an inner knowing - that you are assured protection from financial trauma, abuse, shaming, and economic insecurity. Securing material safety is not only an individual effort. It is a multi-step process that is also informed and even systematically dictated by broader social and economic conditions like the economy, social norms, dominant cultural beliefs, policymaking, and political institutions.⁶ Broadening the scope of evidence that predicts wealth inequality as an outcome to include experiences of socioeconomic harm, economic violence, and financial trauma allows us to delve deeper into what actually influences wealth building-capability. Equally, broadening the scope of evidence

enables us to construct a more general theory of how damaging Black women's economic imperatives are on their wealth-building capability, and more importantly, their wellbeing. Since theories of social change and transformative justice acknowledge that an individual's experiences are rooted in a sociopolitical context, I start with a discussion about recognizing the degree to which trauma is relevant to a person's socioeconomic experiences and wealth-building capability.

Black women's economic imperative

The urgent need to understand financial trauma among Black women in the United States within the sociopolitical era of the 2000s and 2010s has become even more necessary because of the COVID-19 global pandemic and the racial uprisings in the summer of 2020. This particular time period was marked by a country's search for truth, transformation, and justice. Much of the upheaval and resistance associated with 2020 might be what Resmaa Menakem characterizes as collective unhealed trauma unsettling our individual and collective bodies because of profound betrayal by our social, political, and economic authorities.⁷ Righteous anger and confusion were catalysts for racial activism, and placing this reckoning alongside the often overlooked reality of how little this country economically protects and prioritizes women, as evidenced by the frightening "she-cession" and murder of Breonna Taylor, it became imperative to theoretically contextualize Black women's socioeconomic experiences and the trauma responses associated with them.

Despite the revival of interest in wealth inequality given the racial uprisings and reckoning, several gaps in research and mainstream discourse contributed to the inadequate response to the economic crisis Black women continue to struggle against and further limited our understanding of financial trauma. The sexist and racist conceptual limitations – and more importantly, the lack of intersectional analysis – around understanding wealth inequality reinforces common stereotypes about Black women and fuels falsehoods about their socioeconomic positioning. A derivative of the welfare queen trope reared its ugly head again as many right-wing policymakers and strategists argued against more stimulus checks because they were certain they would be misused by the people who needed them the most (e.g., Black women, among others). The welfare queen, with sprinklings of other common stereotypes about Black women like Mammy, Jezebel, and Sapphire, provides the pretext and context for understanding the damaging economic imperative for Black women. This is the case primarily because Black women are systematically denied the conditions and opportunity to secure and/or restore material safety, especially when our economic system is in distress. Ultimately, Black women's economic imperative is direct and harsh: Black women are *required* to experience some form of economic violence (e.g., unsafe work conditions), financial abuse (chronic devaluing and underpayment for her labor), financial shaming (i.e., claiming the socioeconomic harm they experience is their fault), and financial trauma in order to sustain our economic system, which they are excluded from, first. Only until the economic system has been stabilized, which rarely happens, can Black women secure material safety and have the opportunity to build material wealth. The COVID-19 global pandemic finally highlighted this imperative for others, as many essential workers (which Black women are a large proportion of) were asked to risk their lives to keep the economy from collapsing. Yet, we must see that Black women have been required to do this for centuries.

The larger macroeconomic system Black women are required to navigate insists that the agony of their socioeconomic experiences be collective, structural, and result in some form of trauma and shame. Whereas the narratives made available to us that structure our relationships with money and wealth offer a promise of economic opportunity and stability with enough “hard work,” this promise has been broken for Black women since the construction of the American economic system. Throughout slavery Black women’s bodies were necessary machines for wealth generation, particularly when the United States stopped stealing people from their homelands and bringing them here as enslaved peoples. The importing ended, so Black women’s structural positioning as wealth generators for slave owners changed and relied even more heavily on their biological functions. During Reconstruction, Black people were no longer enslaved per se, but Black women were then structurally positioned to exhaust their bodies for domestic functions while facing cohabitation laws and erasure from conversations about civil rights. To answer Sojourner Truth’s question, “a’int I a woman:” no, Ms. Truth. Black women were and continue to be wealth generators, just not for themselves. While researchers and historians often discuss how the horrors enslaved peoples experienced resulted in collective and intergenerational trauma, few, if any, discuss how this trauma informed Black women’s enduring economic imperative and how this trauma is likely embodied in their collective financial behavior even today. Recall Larsen’s character, Helga, who embodies Black women’s feeling of entrapment by social constriction, their structural socioeconomic positioning, and their biology. Or, McMillan’s character, Zora, who represents Black women urging us to consider what economic liberation might look like through the eyes of a Black woman. Even with these central themes showing up in decades of literature written by Black women, this idea of socioeconomic harm has been a central theme in few empirical studies about Black women’s overall health and wellbeing. One study on predictors of Black women’s depression and mental health clearly demonstrates the linkage between trauma and wealth. The data show that financial stress is the largest predictor of depression in Black women.⁸ Another study concluded that shame is an acute stress response to any form of traumatization, which likely results in embodying this shame in our behavior.⁹ As such, we can characterize Black women’s unique struggle against wealth inequality as a problem of the harsh imprint of Black women’s economic imperative. Put differently, we can conclude that a large part of why Black women struggle against wealth inequality is because of unhealed financial trauma.

The Theory of Financial Trauma

Besser van der Kolk describes trauma as more than just an event that took place some time in the past; “it is also the imprint left by the experience on mind, brain, and body. This imprint has ongoing consequences for how the human organism manages to survive in the present.”¹⁰ Staci K. Haines defines trauma as “experiences, series of experiences, and/or impacts of social conditions, that break or betray our inherent need for safety, belonging, and dignity.” She explains “it results in these inherent needs vying against one another instead of working together.”¹¹ Joy DeGruy defines posttraumatic slave syndrome as a “condition that exists when a population has experienced multigenerational trauma resulting from centuries of slavery and continues to experience oppression and institutionalized racism today.” She goes on to note that this condition results in a “belief (real or imagined) that the benefits of the society in which they live are not accessible to them.”¹² These conceptual definitions and explanations have become frameworks reified in a new reconstruction of trauma theory that has grounded my own theory of

financial trauma. Their emphases on how trauma leaves an imprint, can originate from the impacts of social conditions or structural positions, and be the result of persistent multigenerational trauma that has not ended but just taken new form, directly speak to the urge to develop an intersectional construction of the impact of trauma on wealth-building capability. Central to this conceptualization is the tenet that trauma shapes how we survive – broadly and socioeconomically – by (permanently) changing how we would approach protecting ourselves from the same or similar harm. Grounding the theory in intersectionality, and prioritizing Black women’s experiences, allows for the validity of their narratives and the impacts of their structural positioning to supersede America’s consensual story about wealth and economic opportunity, which was primarily created by cisgender white men who benefit most from the financial traumatization of marginalized and minoritized groups.

Even though our understanding of trauma has more breadth and depth now, it still seems limited by the narrowness of experiences that have been considered traumatic. There continues to be a tendency to evaluate individual’s socioeconomic experiences from the perspective of a behavioral economist, which often lacks social and historical context on systemic oppression, rather than that of a therapist or somatic healer, or more importantly the survivor herself. Equally, theories about wealth inequality have been primarily developed on the subculture of financial literacy and our cultural tendencies to blame socioeconomic harm on those experiencing it; given that socioeconomic experiences are culturally bound, current theory and criteria about what influences wealth-building capability are likely to be similarly culturally limited. M.P.P. Root argued that the problem with how post-trauma responses are conceptualized stems from the limitations of conventional psychopathology – “a theory of individual distress in a limited reality.”¹³ I agree. One of the reasons why Black women’s struggle against wealth inequality receives minimal consideration is not just because few explore the relationship between wealth and trauma, but first because they continue to believe that socioeconomic experiences and economic imperatives continue to be influenced by individual, behavioral choices. Root emphasizes “it is too simplistic to attribute an individual’s ability to reorganize and restore themselves to pre-trauma functioning to her coping-skill deficits or characterological weaknesses,” as that would ignore the effects of cumulative trauma.¹⁴ As such, I submit that is also an act of financial shaming to suggest that Black women can merely build material wealth without a thorough examination and set of strategies to address their financial trauma.

The Theory in Context

Perspectives from somatic healers, social justice leaders and thinkers, and contemporary trauma theorists validate multiple methodologies (e.g., qualitative, phenomenological studies, somatic bodywork, and embodied transformation) for constructing a theory on financial trauma. Thus, I developed this theory from a broad data base that includes concrete data, such as material wealth indicators like net worth, and abstract data, such as narratives and indicators of embodied financial trauma through survival shaping.¹⁵ My goal is not to present a theory constructed to easily adhere to the traditional form of empirical testing, but to construct a theory that explains how post-trauma functioning of Black women influences their wealth-building capability. As such, this theory ventures into areas where there is likely no data or would not be best suited for empirical study by conventional methods. While my decision to begin my theory of financial trauma is based on empirical findings (e.g., Starkey et. al’s study on predictors of Black

women's depression), it is more focused on what Black women have been offering in their narratives and storytelling for decades. This is important because it brings to the fore the unique and adverse experiences of Black women as the location of economic understanding.

The theory of financial trauma is meant to reshape our understanding of wealth-building capability rather than destroy the idea that wealth shapes our worldview and behavior. If we understand financial trauma as real, then we can better understand the financial and socioeconomic choices of Black women as being driven by surviving and adapting to the harm they are structurally positioned to experience. To contextualize their experiences successfully, we should begin with where Black women are socioeconomically situated. Today, Black women have among the highest labor force participation among women, but during the COVID-19 pandemic had the second-highest unemployment rate of any group.¹⁶ This has led to Black women being evicted at twice the rate of white women.¹⁷ Nearly 70% of Black women are the primary or sole breadwinner.¹⁸ Black women carry the highest student loan debt of any racial and gender group on average.¹⁹ While these socioeconomic realities are being covered more widely, too often these statistics do not go as far to connect how these realities are examples of the trauma-inducing economic imperative thrust upon Black women. In fact, it is rare that economic reporters contextualize these statistics as forms of maliciously perpetrated economic violence Black women have been structurally positioned to experience since slavery.

During Reconstruction, Black women were relegated to work largely in the agricultural and domestic fields. This remains true today, but we often forget that the New Deal era more aggressively codified Black women's economic imperative. Southern Democrats in Congress succeeded in excluding farm workers and domestic workers from labor protections like minimum wage, overtime pay, and collective bargaining.²⁰ It was not for another nearly four decades that we see Black women achieve occupational diversity, but that is also when we see the beginning of their having to take on more student loan debt to do so. Because the experiences outlined here are often not recognized as traumatic, it has become more difficult to accept how these experiences connect to the symptomatology of trauma. The symptomatology of direct and indirect trauma involves anxiety, depression, and paranoia, which Starkey et. al demonstrated Black women struggle with given their financial experiences.²¹ The same symptomatology applies to those who experience insidious trauma, which is usually associated with the social status of a person "being devalued because a characteristic intrinsic to their identity is different from what is valued by those in power."²² The effects of insidious trauma are cumulative and directed toward a community of people. The same is true for financial trauma.

Financial trauma builds on the conceptualization of insidious trauma, and specifically focuses on how required experiences of economic violence, financial abuse, or persistent financial shaming and stress constructs a reality in which certain dimensions of security (i.e., financial security) are not very secure and certain dimensions of safety (i.e., material safety) are not very safe. As such, the financially traumatized person is often always alert to the potential threat of economic calamity and accumulates practice in dealing with the threat of economic violence and financial traumatization to try to secure material safety anyway. This looks like simply continuing to subject yourself to financially abusive workplaces or financial situations because there are no other options to secure material safety, attain financial security, and build material wealth. Chronic financially traumatic experiences can be compounded by the

unresolved trauma and learned trauma responses transmitted trans- and intergenerationally. Just like other forms of intergenerational trauma, and highlighted in DeGruy's conceptualization of post-traumatic slave syndrome, I submit that the socioeconomic and financial experiences of previous generations have resulted in the teaching of worldviews and automatic economic responses that incorporate our collective traumatic experiences.

The nature of financial trauma illustrates the necessity to understand that financial behavior is often influenced by our collective and individual traumas. Knowing our history, and being privy to the politics of memory in the American context, is imperative when considering how to improve economic outcomes driven more by behavior than structural positioning, which there are few instances when this is the case. As such, how we choose to interact with and support the most purposely ignored and economically vulnerable populations will depend more on how we place their financial trauma in context rather than how we label their economic behavior.

The Implications of the Theory of Financial Trauma

I offer this new theory of financial trauma as a tool accountable to the frameworks of transformative justice – a liberatory approach to violence and harm – and the conceptualization of intersectionality.²³ This theory is also meant to be a heuristic device to help us expand our understanding of the relationship between wealth and trauma by prioritizing the most purposely ignored, who sustain this unrecognized form of trauma because conventional definitions of trauma are still influenced by sexist, white supremacist thinking. In combination with understanding the dimensions of material safety and historical, intergenerational trauma, we now have a way of helping financially traumatized people understand the disorientation that follows their (often) adverse socioeconomic experiences and how the cumulative effect of these experiences shapes their financial behavior and their families'. Additionally, we now can arguably explain why the gender and racial wealth continues to widen.

The COVID-19 pandemic and racial uprisings of 2020 urged us to witness how America has routinely normalized financially traumatic experiences. As more of us oppose the oppressive systems that interlock and create the conditions for our lives, it is imperative to continue to highlight how Black women experience financial trauma at alarming rates with long-term economic impact. The intersectional construction of financial trauma theory has several implications, three of which I will briefly discuss.

First, this conceptualization requires us to understand socioeconomic experiences from a sociopolitical and historical perspective, something that prevailing narratives and research seldom capture. This framing compels us to prioritize Black women and their experiences more intentionally. Black women's survival-based trauma responses have been transmitted through generations and have been used against them (and other purposely ignored populations) for further economic gain by those in power. Second, my hope is this conceptualization will change the socioeconomic environments in which survivors attempt to recover and reorient themselves to heal. Equally, I hope this conceptualization informs how direct service providers develop interventions for the economically disadvantaged. Normalizing the reality and profundity of financial trauma must compel policymakers to claim responsibility for the ever-widening gender

and racial wealth gap and consider how they might codify new policies that destroy the current malicious economic imperative thrust upon Black women. Policymakers must also actively practice destigmatizing the financial behaviors that result from financial traumatization. Finally, this theory impacts how we diagnose wealth inequality. Many of the solutions for closing the gender and racial wealth gap focus on the materiality of wealth and forget that securing material assets does not activate healing. As such, we must address how we tag economic phenomena as evidence or drivers of wealth inequality. The way we currently discuss closing the gender and racial wealth gap tends to only attend minimally to the effects of community history on manifestations of distress, trauma, and shame. While it is hopeful researchers are beginning to entertain the relationship between mental health and financial standing, the underlying assumption upon which solution-makers rely on still attributes socioeconomic positioning to the individual and pathologizes their automatic responses to economic violence and financial traumatization. We need optional ways of describing socioeconomic experiences and post-traumatic responding. This is necessary for Black women's sake.

Conclusion

Since we know trauma permanently shapes a person's behavior and worldviews, it is imperative to recognize how trauma is relevant to a person's socioeconomic experiences and wealth-building capability. We cannot understand wealth inequality and how to close the gender and racial wealth gap without a thorough conceptualization of financial trauma. The signature to financial trauma, which still is ignored or unrecognized as a major influence on wealth-building capability, is similar to that of insidious trauma. But my theory specifically focuses on how economic imperatives thrust upon purposely ignored populations structurally position them to experience economic violence, financial abuse, and financial trauma at higher rates than others. The cumulative effect of these experiences significantly limits, or even eliminates, the financially traumatized person's ability to secure material safety, attain financial security, and build material wealth. The nature of financial trauma is often influenced by our individual and collective traumas. Therefore, our pursuit to close the gender and racial wealth gap will depend more on how we place a person's and community's financial trauma in context rather than how we label their financial behavior. Given the impact of COVID-19 on Black women's already unique struggle against wealth inequality, this theory might help us postulate that Black women are attempting now more than ever to achieve justice through economic healing. As such, we must support them.

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