

FACT SHEET: THE EMBEDDED LEGACY OF WHITE SUPREMACY IN FINANCIAL LITERACY

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CENTER FOR
FINANCIAL TRAUMA
& WEALTH JUSTICE

White supremacy pervades financial literacy just as it pervades all other aspects of society.

White supremacy is the concept and related economic, corporate, government, and social institutions that perpetuate the idea of whiteness as dominant and defining (Haines, 2019). Awareness of the white supremacist ideals and narratives that are embedded in financial literacy is essential if one is committed to undoing generations of violent, systemic financial trauma. To know about the embedded legacies of white supremacy in financial literacy is both a necessity and responsibility to advancing wealth justice and closing the wealth gap.

The narratives made available to us through financial literacy too often proclaim a common message: the depraved, self-inflicting character of disadvantaged and marginalized populations themselves lead to the socioeconomic harm and economic violence they experience. In other words, they are to blame if they are socioeconomically harmed. This violent message is false and must end.

To advance wealth justice, we must acknowledge and address the embedded legacies of white supremacy in financial literacy.

1 Embedded Legacy: Financial literacy too often denies the impact of the systems of oppressions that create the conditions for our lives.

Today, financial literacy oversimplifies wealth so much that it has created a disconnect from the historical and emotional implications of wealth and money. Society likes to think of money, wealth, and the financial system as a numbers game, but our country's enormous wealth and unchecked (even criminal) financial system were built from Black slave labor, exploitation, and violence against Indigenous people, as well as stolen land. It has created a toxic value system that prioritizes money, wealth, and the "pursuit of more" above all, and subsequently assigns personal worth based on financial quantity and value.

Too often financial literacy (and our economic system more broadly) promotes forgetting social and historical context. This is why learners begin to conflate their inherent worth with their net worth.

WHAT IS WEALTH?

Without social and historical context:

- Captured in your **net worth**, which is a comparison of your **assets** (the value of everything you own) to your **liabilities** (all the money you owe). Increasing your net worth depends on your ability to purchase and accumulate assets that appreciate in value, as well as paying off your liabilities.
- This definition is heavily individualistic and suggests the causes for not building wealth are behavioral, not structural. This definition assumes one can capture the multi-layered texture of a person's unique struggle against wealth inequality with a number.

With social and historical context:

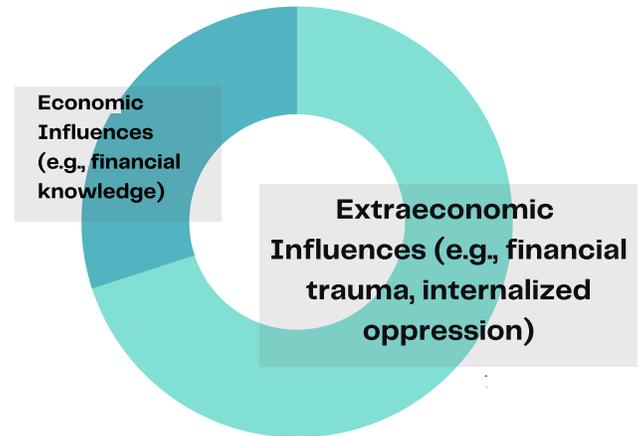
- Through the lens of **material safety**, wealth is the ability to fully **fund your vision for peace**, wellness, happiness, and/or groundedness. It is deeply personal and different for everyone. It recognizes how **trauma is embodied in our financial behavior**.
- This definition honors the fact that amassing great wealth often requires repeated, ongoing violations and exploitation of certain groups. As such, it rejects the idea that material wealth is how we should determine who is systematically offered or denied safety, belonging, and dignity. Equally, it acknowledges the profound influence financial trauma has on a person's ability to build material wealth (McKenzie, 2020).

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Embedded Legacy: Financial literacy deceptively emphasizes that wealth-building capability is most influenced by individual behavior, not the impact oppressive systems have on our relationships with money, value, wealth, and worth.

- We label the two major influences on a person's wealth-building capability as either economic or extraeconomic. Economic influences include financial literacy and knowledge of money mechanics. Extraeconomic influences include financial trauma and internalized oppression.
- Based on initial findings from our qualitative research, extraeconomic influences have a larger impact on a person's wealth-building capability. Trauma is stored in our bodies, shapes our experiences, and interprets the world for us (Haines, 2019). As such, we cannot be convinced that financial literacy alone can help people heal from and undo the effects of financial trauma and internalized oppression, especially if it refuses to acknowledge how white supremacy shapes how it is taught.

Wealth-building capability: a person's ability to accumulate and sustain (material) wealth, which is often influenced by a person's unique struggle against multiple forms of oppression.



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Embedded Legacy: Financial literacy too often normalizes economic violence.

Financial literacy often utilizes white supremacist narratives that normalize financial abuse, financial shaming, economic violence, and chronic financial stress. These narratives structure our relationships with money and wealth. They compel us to condone the fact that we are often **required** to experience abuse, shaming, violence, and stress to achieve material safety. If you belong to one or more disadvantaged or marginalized groups, it is likely you will be required to experience this violence more frequently and harshly. Financial literacy too often claims these experiences are caused by "irresponsible" financial behavior or not knowing better. This is financial shaming, and shaming causes people to believe the socioeconomic harm and economic violence they experience is their fault and not the designed outcome of a violent and oppressive financial system.

We must begin to frame the socioeconomic experiences that people have, especially those from disadvantaged and marginalized groups, through the language of violence.

Dismissing how :

Oppressive and exploitative our economic system



Is Violence.

Employing rhetoric that:

"People will inappropriately spend their stimulus checks"



Is Violence.

Explicitly or implicitly utilizing curricular frameworks that suggest:

"You can budget or save your way out of poverty"



Is Violence.

» This violence is stored and embodied in our financial behavior. «



Most financial literacy lessons oversimplify and significantly dilute the concepts we believe are critical to know if someone is to successfully navigate our violent and exploitative financial system.

Below is a comparison of a lesson that **recognizes** the embedded legacy of white supremacy in our financial system and one that **fails to address** it:

Ignoring the embedded legacy of white supremacy:

By the end of this lesson, students will be able to:

- ✓ Differentiate between a checking and savings account
- ✓ Articulate the importance of a bank account as a building block for wealth-building (refer to a bank account being an asset)
- ✗ Many applaud this type of lesson, but fail to see that it **does not adequately teach learners** how to navigate a banking system that profits from **inequality** and **oppression**.
- ✗ This lesson also **fails** to demonstrate to students how our financial system may curate adverse financial experiences that are meant to make you feel like the socioeconomic harm you experience is your fault. **Students must learn how to recognize this and what to do about it.**

Recognizing the embedded legacy of white supremacy:

By the end of this lesson, students will be able to:

- ✓ Differentiate between a checking and savings account
- ✓ Articulate the importance of a bank account as a building block for wealth-building (refer to a bank account being an asset)
- ✓ Define overdraft and debit resequencing* (to help students identify financially abusive business models they may experience in banking)
- ✓ Identify that debit resequencing was designed to increase the likelihood of entering overdraft which in turn makes us feel like we have "bad spending habits"
- ✓ Advocate for themselves when opening a bank account to ensure that they do not opt into overdraft (unless they want to) so to reduce the impact of debit resequencing
- ➔ **BlackFem**, a leading 501c3 nonprofit in the wealth justice space, teaches this lesson as **early as Kindergarten**.

***Debit resequencing**: reordering of bank account transactions to increase the likelihood of entering overdraft.



We recommend...

- Financial literacy organizations codify and state publicly what curricular methodologies they (will) employ to address the embedded legacies of white supremacy in financial literacy.
- Educators looking to integrate financial literacy into their curriculum rhetorically interrogate lessons to see if the content recognizes or ignores the embedded legacies of white supremacy in our economic system.
- Financial literacy curriculum writers ground their curricular frameworks in undoing and healing financial trauma and internalized oppression.
- Educators approach financial education and analyses of peoples' financial experiences through an intersectional lens in order to not render invisible those most affected by financial trauma (i.e., those with multidimensional identities like Black women, transgender folx, etc.).

Here are key terms we hope you will incorporate in your work

Financial trauma is the response to the cumulative harming of a person's wealth-building capability caused by events, actions, policies, and cultural messages that inequitably reinforce the conditions that impair our relationships with money, value, wealth and worth (McKenzie, 2020); the cumulative effect of being required to experience economic violence, financial abuse, financial shaming, and/or (chronic) financial stress to attain or sustain material safety..

Financial abuse is an event, action, policy, or cultural message that inequitably reinforces the conditions that impair a person's wealth-building capability or material safety (McKenzie, 2020).

Financial shaming the psychological effect of messages that blame those who are socio-economically harmed and financially abused (McKenzie, 2020).

Economic violence any harmful experience a person endures in order to attain or restore material safety. In an oppressive economic system, these experiences are often a requirement for vulnerable and marginalized communities to attain material safety.

Material safety is a person's ability to access, secure, and sustain the resources needed for their everyday basic needs such as: safe and adequate housing, personal care, food accessibility, clean water, affordable education, healthcare and transportation.

White supremacy is the concept and related economic, corporate, government, and social institutions that perpetuate the idea of whiteness as dominant and defining. Also called racism (Haines, 2019).



References

Haines, S. (2019). *The politics of trauma: Somatics, healing, and social justice*. North Atlantic Books

McKenzie, C. (2020). *Black Women's Financial Trauma: A Fact Sheet*. Georgetown University Center on Poverty and Inequality.

About Chloe B. McKenzie

Chloe B. McKenzie is a researcher, writer, educator, and wealth justice activist. Chloe is the founder and visionary of BlackFem, a nonprofit with a mission to close the gender and racial wealth gap. She has been working for the past six years at the intersection of education, finance, social justice, and the visual and performing arts. Today, she is conducting ground-breaking research on financial trauma, systemic financial abuse, and financial shame, with the intention of starting a collective healing process that undoes generations of violent, systemic financial trauma.

About The Center for Financial Trauma and Wealth Justice

The Center for Financial Trauma and Wealth Justice is a commitment to the collective healing process needed to undo generations of violent, systemic financial trauma, abuse, and shaming. We are a commitment to mobilizing around and being accountable to the principles of wealth justice, which requires prioritizing intersectionality and embodied change.

What is Wealth Justice?

Wealth justice is a commitment to:

- (1) actively undoing generations of violent, systemic financial trauma, financial abuse, and financial shame;
- (2) acknowledging and understanding the unique and intractable struggles people have against wealth inequality from an intersectional lens; and
- (3) healing by holding our social, political, economic, and cultural institutions accountable for perpetrating and transmitting financial trauma and abuse.