



Trauma-informed Economic Empowerment

DOMESTIC VIOLENCE LAW CLINIC | GENDER JUSTICE WORKSHOP





This project aims to:

- **RE-IMAGINE**


Help re-imagine financial empowerment programs to integrate a holistic approach. Decenter financial “know-how” and focus on healing the emotional, psychological, and systemic effects of trauma on survivors.

- **EDUCATE & NORMALIZE**

Educate the public about financial trauma and normalize it.

- **INVITATION TO TAKE ACTION**

Continue developing and/or integrating these concepts in your role as advocate, provider of financial wellness services, and leader in your community.



This training has 3 goals:

1. Educate the public about financial trauma and normalize it.
2. Help re-imagine financial empowerment programs so that they integrate a more holistic approach. This may be achieved by de-centering financial “know-how” (budgeting, credit basics, saving strategies etc.) and drawing attention to the emotional and psychological, and systemic effects of trauma on survivors.
3. Invite you to continue to develop and integrate these concepts into your role as an advocate and future policy maker.



This training is for:

- Advocates, policymakers, and/or providers of financial wellness services.
- People who want to learn about how trauma-informed approaches can benefit vulnerable populations.
- People interested in learning about the dynamics of financial abuse and pathways to healing.



This training will help:

- Advocates, policymakers, and/or providers of financial wellness services.
- People interested in learning about the dynamics of financial abuse and the pathways to healing.
- People who want to learn about how trauma-informed approaches can benefit vulnerable populations.



Land Recognition

We acknowledge that our work takes place on Tohono O'odham Nation homelands and the lands of the Pascua Yaqui Tribe. We would like to pay respect to the Elders past, present, and emerging, acknowledging them as the traditional custodians of knowledge for these places.




We recognize that our work at The University of Arizona takes place on Tohono O'odham ancestral lands.



Contents

- A. Intro: The Need for Trauma-Informed Financial Education
- B. Defining Trauma and Economic Abuse
- C. Financial PTSD and the Scarcity Mindset
- D. Institutional Re-traumatization
- E. Mitigating Shame through an Economic Justice Framework
- F. Conclusion: Takeaways for Helping Victims of Economic Trauma and Abuse



This is an overview of the contents of this training.




A. Intro: The Need for Trauma-informed Financial Education



Let's introduce the training by talking about the need for trauma-informed financial education. We'll start by saying a little about who we are and how our project originated.



Economic Empowerment Project



Major Obstacle:
Financial dependence/
Financial insecurity




Our Economic Empowerment Project originated in the context of Domestic Violence. The motivating factor was of course, to help victims and survivors achieve financial independence. One of the major obstacles that survivors of domestic violence confront when trying to leave their abusers, is that they will very likely end up experiencing financial insecurity, as many have been economically abused and/or are financially dependent on their abusers.

Our project was a response to this, as there is an unmet need for support for survivors with respect to economic empowerment training, education, and services.



Economic Empowerment Project



Empowering Survivors \$
=
Financial Literacy?



Our initial approach consisted in prioritizing financial literacy, as we originally believed that this was the most important pathway for survivors in the pursuit of financial independence.

When you hear the words "financial literacy" or "financial education", what comes to mind?



Economic Empowerment Project



Lessons learned:

- Not useful for people experiencing trauma.
- No acknowledgment of role of trauma in victims' relationship to \$.
- No acknowledgement of trauma undercutting financial wellness.




In developing the curriculum for our project, we researched various existing models of financial education.

However, through our research and several conversations with partner organizations, we realized there were many lessons to be learned.

We learned that although there are many financial education tools out there, these seldomly approach the topic in a way that is truly useful for people who have experienced trauma.

We found that there is often little acknowledgement of the role trauma plays in the way that victims relate to money, and how it may undercut the effort to become financially empowered.

In short, the recurring trend is that the available financial literacy programs out there would not prove very useful to helping domestic violence survivors.



What's the problem with (non-TI) Financial Literacy?

"For decades now, the pervasive mindset across the country has been that, if poor people just had the knowledge to make sound financial decisions, they could lift themselves out of their financial despair. The idea was that, with knowledge, low-income people and people of color would be motivated, have an "a-ha" moment about how to change their 'destructive' behaviors."

Prosperity Now's [Financial Coaching Program Design Guide: A Participant-Centered Approach](#)



What's the problem with non-trauma informed financial literacy? Isn't

Prosperity Now explains:

"For decades now, the pervasive mindset across the country has been that, if poor people just had the knowledge to make sound financial decisions, they could lift themselves out of their financial despair. The idea was that, with knowledge, low-income people and people of color would be motivated, have an "a-ha" moment about how to change their 'destructive' behaviors."

However, time and time again, research has shown that financial literacy by itself has little effect on changing people's financial behavior.

“Even if someone attends all the financial literacy courses in town...

- *if they are living below the minimum wage,*
- *if they are unable to afford safe housing,*
- *if they are unseen by financial institutions, and*
- *if larger structural barriers – such as policies that deter saving, lack of affordable housing stock, discriminatory practices in lending and neighborhood segregation – continue to be at play...*

... They will not be able to overcome barriers that impede their ability to thrive financially and accumulate wealth.”

Prosperity Now's [Financial Coaching Program Design Guide: A Participant-Centered Approach](#)




However, time and time again, research has shown that financial literacy by itself has little effect on changing people's financial behavior.

As Prosperity Now tells us: [read]

Source:

Financial Coaching Program Design Guide: A Participant-Centered Approach – *Prosperity Now* (19-31)



What's the problem
with (non-TI) Financial
Literacy?

EMBEDDED LEGACIES


Denies the impact of systems of oppression.



Emphasizes *individual behavior* over *oppressive systems*.



Normalizes economic violence.



Other research in the field of Economic Justice recognizes 3 embedded legacies in financial literacy practices that in fact **hurt** the capacity for building wealth:

The first embedded legacy is that “financial literacy too often denies the impact of the systems of oppressions that create the conditions for our lives.”

The second says that “financial literacy deceptively emphasizes that wealth-building capability is most influenced by individual behavior, not the impact that oppressive systems have on our relationships with money.” We're talking about the "pull yourself by your own bootstraps" mentality and the myth of the "self-made" person.

The third tells us that financial literacy too often normalizes economic violence. (e.g., unsafe work conditions, wage gaps, classifying workers as 1099s rather than W-2, unpaid parental leave).

Source: FACTSHEET: THE EMBEDDED LEGACY OF WHITE SUPREMACY IN FINANCIAL LITERACY
https://www.canva.com/design/DAEbX02WFEI/view?utm_content=DAEbX02WFEI&utm_campaign=designshare&utm_medium=embeds&utm_source=link#4

Why Does this Matter?



McKenzie, C (in press) Broadening our understanding of wealth-building capability: A briefing paper. The Center for Financial Trauma and Wealth Justice.



Why does this matter?

Research behind this provides “evidence that basic financial knowledge has the smallest impact on a person’s wealth-building capability,” and that “in fact, the greatest influence on wealth-building capability is financial trauma.”

SOURCE: McKenzie, C (in press) Broadening our understanding of wealth-building capability: A briefing paper. The Center for Financial Trauma and Wealth Justice.

Re-imagining the Meaning of Financial Empowerment


- Survivor-centered
- No more victim-blaming frameworks
- Prioritize healing



Our realization was that this was the gap we needed to fill to maximize our project's impact.

The trauma-informed component needs to be at the heart of the project. In short, we realized our project should pivot.

What we need is to re-imagine the meaning of financial empowerment so that we could make it more survivor-centered, get rid of victim-blaming frameworks and prioritize a kind of healing that can truly open the doors to sustainable financial wellbeing.




Becoming Trauma-Informed

Understanding role of trauma
in client's recovery.

.....
Promotes safety, trust, and
compassion.

.....
Knowledge about trauma
belongs to everyone.



To achieve this, we need the tools of trauma-informed care,
and not just the tools of financial education.

So, how do we become trauma-informed? What does that mean?

Let's see what experts on trauma-informed organizations and services tell us:

They say that "Becoming trauma informed is not about becoming a trauma specialist. Rather it understands the role that each person can play in supporting a person's recovery, from the first person to greet someone as they enter a building for the first time, the building engineer to the CEO or Executive Director."

This is "based on an understanding of the particular vulnerabilities and/or triggers that people affected by trauma experience (that traditional service delivery approaches may make worse), so that services can be more supportive, compassionate, effective and avoid re-traumatisation. (SAMHSA)"

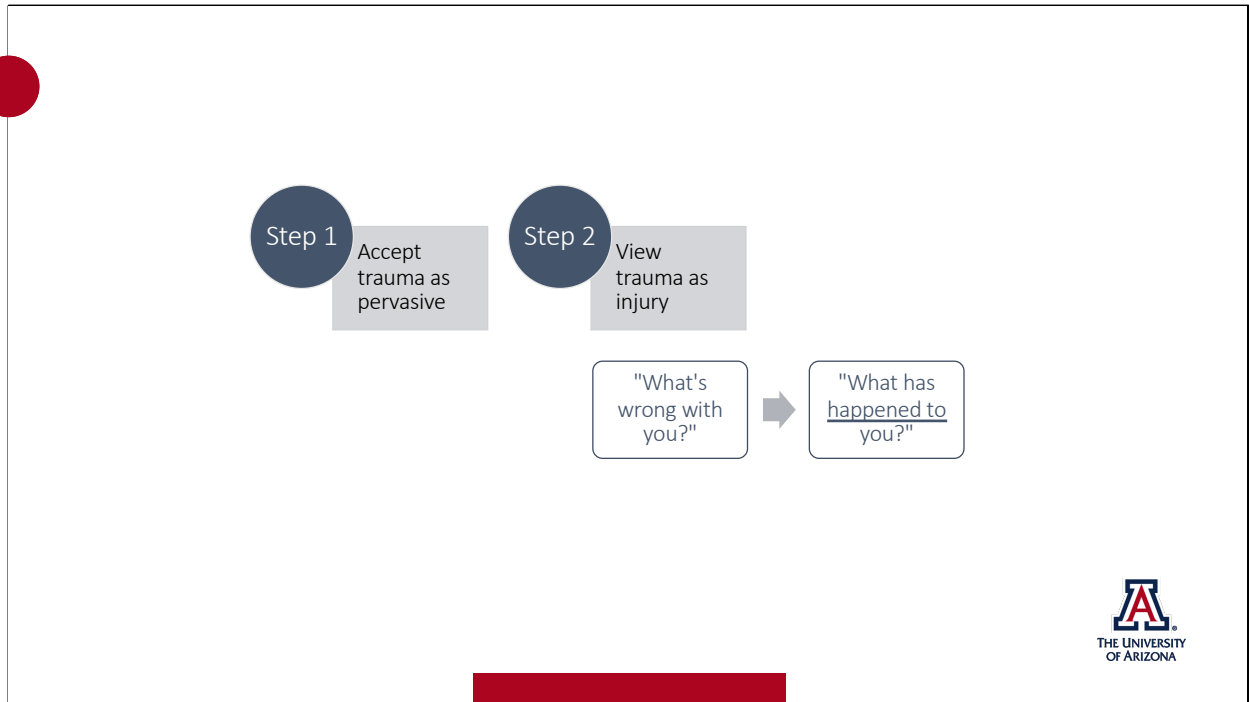
They tell us that "Everyone (...) can make a difference in creating a culture and climate that promotes safety, trust and compassion. These are the hallmarks of being

trauma informed. Remember the smallest acts of kindness and understanding can be the most powerful."

They also say that "knowledge about trauma is not limited to a privileged few within an organization but belongs to everyone. Not everyone within an organization or system may have all the same knowledge and information, some may have more than others, everyone however should have a basic understanding of trauma and the principles of trauma informed care."

Source:

<https://trauma-informed.ca/about-us/mtiec-trainings-and-webinars/trauma-informed-organizations-and-systems/becoming-trauma-informed/>



Experts on trauma-informed organizations and systems tell us that "the **first step** towards becoming trauma informed is **accepting that trauma is pervasive**, assuming that all the people you are helping have experienced a trauma and understanding that trauma is a defining and organizing experience that shapes the core of a person's identify."


"The second step is to **view trauma as an injury**. Trauma is viewed as an injury and not an illness, sickness, weakness or character flaw. This shifts the focus from asking people "What is wrong with you" to "**What has happened to you**".

Source:
<https://trauma-informed.ca/about-us/mtiec-trainings-and-webinars/trauma-informed-organizations-and-systems/becoming-trauma-informed/>



Contents

- A. Intro: The Need for Trauma-Informed Financial Education
- B. Defining Trauma and Economic Abuse



This is an overview of the contents of this training.



B. Defining Trauma and Economic Abuse



When we hear the word trauma, most of us have an instinctive understanding of what it means.

What is Trauma?

“A traumatic event that involves a single experience, or enduring repeated or multiple experiences, that completely overwhelm the individual’s ability to cope or integrate the ideas and emotions involved in that experience”

"Complex Trauma"



In the following few slides, we'll go over some other definitions of trauma, taken from several sources from social work, psychology and domestic violence research.

"A traumatic event that involves a single experience, or enduring repeated or multiple experiences, that completely overwhelm the individual’s ability to cope or integrate the ideas and emotions involved in that experience”

Key concept for our purposes: An inability to cope at the time of the service. Sometimes survivors may not be ready to embrace financial wellness right away, not even after undergoing financial literacy education. The idea of becoming financially independent may be very different for someone who has experienced trauma. For some clients, the concept of “financial empowerment” may not be automatically result in feelings of optimism or connote positive associations. They might not be as receptive to advice or help, as one would expect.

The second thing that is important to point out here is that, as this definition shows, for trauma to occur there needn’t be only one single event; meaning, the same detrimental effects on the brain can be caused by repeated traumatic experiences, big or small. An example of this may be the repeated inability to meet financial


obligations:

WHO COULD GIVE ME AN EXAMPLE? (ex: the pressure to pay monthly bills)

In other words, this definition shows us that trauma can be **created and/or exacerbated little by little** and not just be a result of a major life event— for example, losing everything at once: a job, being evicted, etc. Trauma can be the response to a cumulative series of stressful events.

[Click] This is sometimes referred to as “**complex trauma**”.

Source: Trauma Informed Toolkit, second edition 2013 https://trauma-informed.ca/wp-content/uploads/2013/10/Trauma-informed_Toolkit.pdf



B. Defining Trauma and Economic Abuse



Trauma & External Circumstance

“The severe distress, harm, or suffering that results from overwhelming mental or emotional pain or physical injury.”

Discrimination

Historical and/or Generational Trauma

Marginalization



Here’s another definition:

“The severe distress, harm, or suffering that results from overwhelming mental or emotional pain or physical injury. Trauma is also caused by or magnified by discrimination, historical and/or generational trauma, and marginalization.”

Source: Blog: Understanding the Importance of Trauma-Informed Care. NNEDV.org
https://nnedv.org/spotlight_on/understanding-importance-trauma-informed-care/

Trauma & the Brain



“Various forms of trauma influence the development and breaking of neuro-pathways within the brain, which then directly affects the decision-making process.”



Here's another. This one touches on the ways that trauma can affect the physiology of the brain.

Basically, we know that trauma changes the brain, but this definition here reminds us that it specifically messes with our ability to make decisions.

Ross, D.B., & Coombs, E. (2018). The Impact of Psychological Trauma on Finance: Narrative Financial Therapy Considerations in Exploring Complex Trauma and Impaired Financial Decision Making. *Journal of Financial Therapy*, 9 (2)
4. <https://doi.org/10.4148/1944-9771.1174>

What is Financial Trauma?



We begin by introducing the notion of financial trauma, let's touch upon it briefly, we'll delve more deeply into it later on.

We all have a sense of what trauma in general means...



“The response to 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.”



Here’s how the Center for Financial Trauma defines it; hopefully this will help provide some context for the slides to come:

Financial trauma is “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.”

Anything surprising here? Anything new?
Again, we'll go into this in more detail later on.

Source:
Factsheet: The EMBEDDED LEGACY OF WHITE SUPREMACY IN FINANCIAL LITERACY
https://www.canva.com/design/DAEbX02WFEI/view?utm_content=DAEbX02WFEI&utm_campaign=designshare&utm_medium=embeds&utm_source=link#4



Understanding Financial Abuse



Moving on to the next topic in this section:

Just as physical abuse and external circumstance can create trauma, financial abuse can do so too.



Preventing victim from getting or keeping a job

Making victim ask for money

Giving an allowance

Taking away money

No access to family income

Coerced debt

*Forcing victim to take out student loans,
using \$ for something else*

Refusing to pay child support



Here we go back for a little bit to the context of domestic violence; here's the power and control wheel some of you may have probably encountered it before; here we have economic abuse as one of the categories.

Here are the examples that are usually listed as ways that this abuse manifests, since font is hard to read I listed them here.

Here I would add, based on feedback from advocates who have participated in this training previously:

- Getting credit cards or loans in the victim's name, or ruining their credit, what's known as coerced debt.
- Forcing the victim to take out student loans and using these to pay for something else.
- Refusing to pay child support, convincing victim that they shouldn't ask for child support or quitting their job so that they don't have to pay it.

How is financial abuse unique compared to other types of abuse?



MOST HIDDEN AND EASILY CONCEALED

Easily undetected, abusers go unchallenged. Money is taboo subject and abusers bank on this.

KNOWS NO BOUNDARIES

Disproportionate effect on marginalized communities but still happens across social class, gender and age. It's far reaching.

DEVASTATING LONG-TERM EFFECTS

It's destruction and daily impact on lives of victims can last years after the relationship has ended.

Source: NCAADV / NEEF's "Creating and Sustaining Financial Well-Being" webinar




The following are some reasons why Financial abuse is unique:

- On one hand It's a very covert form of abuse, easily undetected— on the other, it can have one of the most far-reaching impact on the lives of who suffer it.
 - Because this lack of knowledge, abusers are able to go unchallenged and undetected. Abusers bank on this, the silence and compliance.
 - Another important factor in this is a cultural one: the fact that we don't speak about money openly, the subject is taboo, which makes it even harder for victims and easier for abusers.
- Although it may affect some communities disproportionately, economic abuse knows no boundaries: happens across social class, gender, age. It's far reaching.
- It has a devastating, long-term impact
 - It's destruction and daily impact on the lives of its victims can last years after the relationship has ended.
 - Financial control is one of the injuries that on the psychological abuse spectrum takes the longest to heal.



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C. Financial PTSD and the Scarcity Mindset



Let's look at some ways that a trauma-informed approach is important when financially empowering survivors of abuse or other vulnerable populations.



Trauma and financial
behavior are deeply
interconnected.

.....
FINANCIAL PTSD

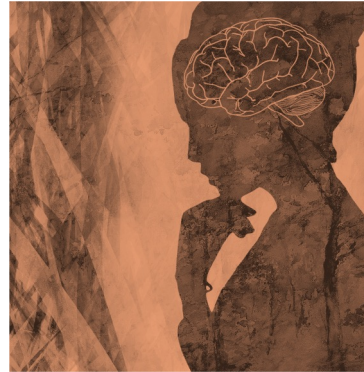


Why do we need a trauma-informed approach? The answer is: because trauma and financial behavior are deeply interconnected.

Moreover, recent research in the field of financial therapy has shown that there is a type of post-traumatic stress specifically related to finances.

Financial PTSD, as it is commonly called, is a relatively new concept. Nevertheless, it has been gaining traction and informing many of the conversations surrounding financial wellness and social justice.

“It is the **physical, emotional and cognitive deficits** people experience when they cannot cope with either **abrupt** financial loss or the **chronic stress** of having inadequate financial resources.”

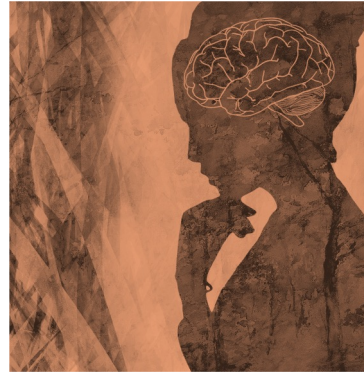


Some research on Financial PTSD describes it this way: “It is the physical, emotional and cognitive deficits people experience when they cannot cope with either abrupt financial loss or the chronic stress of having inadequate financial resources.”

Source:

<https://goop.com/wellness/career-money/are-you-struggling-with-financial-ptsd/>

“It interferes with ability to carry out **normal work** and **home life functions**, and manifests in multiple areas of the person’s being.”



They add that “it interferes with ability to carry out normal work and home life functions, and manifests in multiple areas of the person’s being.”

Source: <https://www.forbes.com/sites/briannawiest/2019/04/04/financial-trauma-is-a-reality-for-one-third-of-millennials-this-expert-explains-how-to-recover/?sh=65745941130c>



[Chloe McKenzie's interview in BadWithMoney podcast](#)

5 Automatic Trauma Responses

1. Fight
2. Flight
3. Freeze
4. Appease
5. Dissociate



Chloe McKenzie is a wealth justice activist, founder of BlackFem and the Center for Financial Trauma and Wealth Justice.

Here she talks about the meaning of wealth and how economic violence gets in the way of wealth building.

<https://podcasts.apple.com/no/podcast/financial-trauma-chloe-b-mckenzie/id1144712710?i=1000522327562>



- Negative thought patterns, rumination on failure
- Concentrating is difficult
- Perceived hostility, “only a matter of time for the other shoe to fall...”

Financial PTSD shares some of the same hallmarks as other post-traumatic stress disorders with different causes for the trauma, but it also displays several traits particular to it. The following are some of its symptoms:

- Basic thought patterns regarding money are negative, and often involve rumination on failure.
- The ability to concentrate is short-circuited, focus is often interrupted by nagging thoughts of financial doom.
- The individual sees their general environment as an increasingly hostile place, believing that it's only a matter of time before bad, or worse, things happen again.

Source: Forbes article, interview with Dr. Buckwalter

<https://www.forbes.com/sites/briannawiest/2019/04/04/financial-trauma-is-a-reality-for-one-third-of-millennials-this-expert-explains-how-to-recover/?sh=65745941130c>



- Unresolved nervous energy: chronic insomnia, nightmares, jitteriness
- Fears mail, texts, phone
- Coping mechanisms take over: avoidance / substance abuse




We're stuck in overdrive, unresolved nervous energy takes hold. Jitteriness, insomnia, nightmares, etc., become chronic

Fear regarding mail, or phone calls (every time the phone rings, it's a bill collector, etc.) AUDIENCE: Who's had a client avoid them?

Coping mechanisms, such as avoidance, or substance abuse, increases.

Source: Forbes article, interview with Dr. Buckwalter


<https://www.forbes.com/sites/briannawiest/2019/04/04/financial-trauma-is-a-reality-for-one-third-of-millennials-this-expert-explains-how-to-recover/?sh=65745941130c>



C. Financial PTSD & the Scarcity Mindset

Financial PTSD (feedback from local Tucson advocates)

- Difficulty building trust between advocate and client
- Secretive about \$
- Overspending / Emotional Spending
- Underspending



The following is based on feedback from trainings delivered to advocates here locally.

Any others that you've noticed with your clients?

Scarcity Mindset



C. Financial PTSD & the Scarcity Mindset

Our brain is less effective
when we feel that we lack something.



Trauma can also produce what's known as a "scarcity mindset".

Some research in psychology and public health reveal that "people's minds are less efficient when they feel they lack something — whether it is money, time, calories or even companionship."

[Source: <https://www.apa.org/monitor/2014/02/scarcity>]

Is there anyone who could relate? Has anyone here ever been on a diet? Or feel like there are just not enough hours in the day to get everything that needs to be done done? How has that affected your executive functions?

Scarcity Mindset



C. Financial PTSD & the Scarcity Mindset

DIMINISHES ABILITY TO PLAN
AHEAD & PROBLEM-SOLVE

CONFUSION, MEMORY PROBLEMS,
& LANGUAGE ISSUES

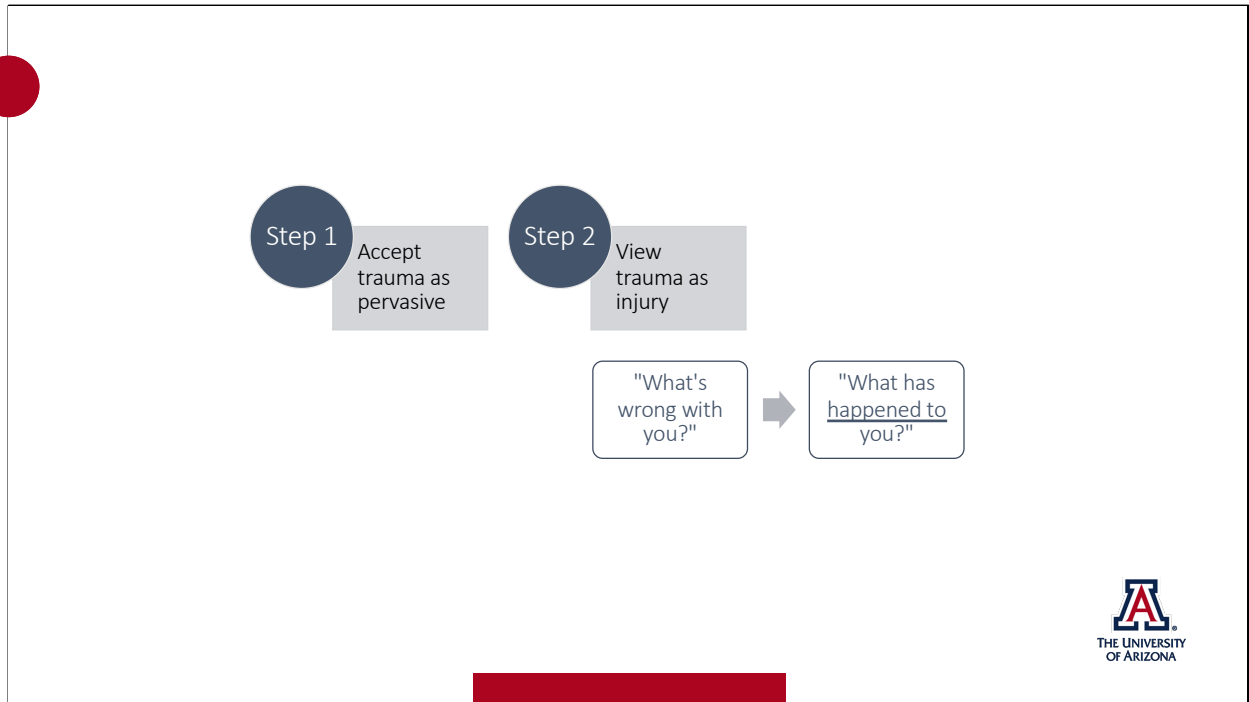
MORE LIKELY TO MAKE MISTAKES
& BAD DECISIONS



These researchers tell us that:

- The scarcity mindset consumes "mental bandwidth" — brainpower that would otherwise go to less pressing concerns, planning ahead and problem-solving.
- This deprivation can lead to a life absorbed by preoccupations that impose ongoing cognitive deficits such as confusion, memory problems, and issues with language.
- Scarcity can also reinforce self-defeating actions." "Being poor requires so much mental energy that those with limited means [...] are more likely to make mistakes and bad decisions than those with bigger financial cushions."

[Source: <https://www.apa.org/monitor/2014/02/scarcity>]



To go back to the first steps to becoming trauma informed:

We need to accept that financial trauma is pervasive, "assuming that all the people you are helping have experienced financial trauma" and hope the previous slides will be helpful in understanding how trauma probably has been "a defining and organizing experience" for your clients.

Also as seeing "**trauma as an injury...** an injury," as opposed to "an illness, sickness, weakness or character flaw."

Now you'll have a better sense that the answer to this (point) question--- "financial trauma is what happened."


Source:

<https://trauma-informed.ca/about-us/mtiec-trainings-and-webinars/trauma-informed-organizations-and-systems/becoming-trauma-informed/>

A red circle is positioned at the top left of the slide, with a thin red vertical line extending downwards from its center.

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This is an overview of the contents of this training.



D. Institutional Re-traumatization



When providing this training to advocates in the community, the topic of institutional re-traumatization kept coming up over and over again. So, we decided to integrate it into the training.



Re-traumatization

“A situation, attitude, interaction, or environment that replicates the events or dynamics of the original trauma and triggers the overwhelming feelings and reactions associated with them.”

Source: <https://www.socialworker.com/feature-articles/practice/preventingretraumatization-a-macro-social-work-approach-to-trauma-informed-practices-policies/>



What do we mean when we talk about re-traumatization?

Here’s a general definition: “A situation, attitude, interaction, or environment that replicates the events or dynamics of the original trauma and triggers the overwhelming feelings and reactions associated with them.”

When we think of the ways in which this may apply to economic trauma, we can imagine certain situations, attitudes, interactions and or environments may trigger a traumatic response.

Source: <https://www.socialworker.com/feature-articles/practice/preventingretraumatization-a-macro-social-work-approach-to-trauma-informed-practices-policies/>

D. Institutional Re-traumatization



Institutional Re-traumatization

1st step in financial independence
= public assistance

Trauma (incl. financial trauma)
can be exacerbated by injustice in
social structures, services &
institutions.



Here we'll explore the issue of *one* kind of re-traumatization a bit more in depth: what is sometimes called “Institutional retraumatization”

Very often one of the first steps in becoming financially independent involves seeking out public assistance, so this form of re-traumatization is particularly relevant to economic empowerment. As we have heard from advocate experiences, this is not an easy process and the power dynamics in these settings are often not only a deterrent but end up creating more harm.

The big idea is that trauma can be exacerbated by injustice in social structures, services, and institutions.

Institutional Re-traumatization

Happens not just in legal or medical institutions (police, courts, hospitals, etc.) but also social assistance services (e.g. ahcccs, welfare)

Local advocates reiterate difficulty of navigating this system



Much of the literature about the topic of re-traumatization focuses on medical or legal institutions (police, courts, hospitals, etc.) but not much is said about how it can also take place in the system of social assistance services.

When providing this training to advocates in the community, the difficulty of navigating these systems was one of the issues that kept coming up. Very often, victims are treated poorly by service providers when they seek out assistance (welfare, ahcccs, etc.), making them feel badly for being there in the first place.

"There are always long lines at DES or long wait times on the phone and the messages you get are really inconsistent. Their policies are really rigid and it's not a very human experience, staff members can be really cold. There is a long history in the US of vilifying people who access welfare benefits and it feels like the process is difficult on purpose."



A local Tucson advocate who has helped people apply for public assistance shared that the experience can be very frustrating and disempowering, this is what she said:

"There are always long lines at DES or long wait times on the phone and the messages you get are really inconsistent. Their policies are really rigid and it's not a very human experience, staff members can be really cold. There is a long history in the US of vilifying people who access welfare benefits and it feels like the process is difficult on purpose."

“... these interactions
disempower recipients
and **mimic** the conditions
of abuse.”




Source: "Women, Abuse, and the Welfare Bureaucracy",
Journal of Women and Social Work

One study that looked at this issue centered around the question of the experiences of welfare recipients in their interactions with frontline workers.

The study revealed significant “emotional and economic abuse both in the welfare system and their personal lives.” They found that “[i]nteractions with frontline workers who implement the rules and regulationsdisempower recipients and mimic the conditions of abuse that these women have already experienced.”

Source: “Women, Abuse, and the Welfare Bureaucracy”, *Journal of Women and Social Work*, Spring 2006, 84-96.



How are conditions of abuse mimicked?

- EMOTIONAL ABUSE

Extreme rudeness

Disrespect

Humiliation

Talking down to

- ECONOMIC ABUSE

Use of sanctions

Or threatening to use sanctions to reduce benefits

Source: "Women, Abuse, and the Welfare Bureaucracy",
Journal of Women and Social Work



How are the conditions of abuse mimicked?

The researchers explain that [t]wo categories on the Power and Control Wheel, emotional abuse and economic abuse, describe these experiences. Meaning, what happened in the office matches the examples that are given in the wheel.

D. Institutional Re-traumatization

- Services that mirror power & control experienced before
- Client viewed as passive recipient; provider as superior
- Organizational policies & procedures place their needs over the needs and comfort of whom they're supposed to be serving.

THE UNIVERSITY OF ARIZONA

Specialists in Trauma informed organizations put it like this:


"In some cases, trauma affected people can encounter services that mirror the power and control they experienced in the abusive relationships from which the trauma originated.

In many trauma "un-informed" systems, the client is viewed as a passive recipient and the service provider or care system as possessing superior knowledge and resources. Unfortunately, this relationship with a powerful authority figure whose opinions and wishes take precedence is tragically reminiscent of the abuse dynamic in which the trauma affected person was forced to accept an unequal relationship in order to avoid worse treatment.


Organizational policies and procedures can often place the needs of the organization over the needs, and comfort of those they are serving."


Source:

<https://trauma-informed.ca/trauma-informed-care/trauma-informed-organizations/>

What can we do? 

Validate process is as hard. It *is* “a thing”, “you’re not alone”. Prepare mentally, address expectations. Provide “coaching”: affirmations or helpful language.






- So what can we do?
- All of this helps to reassert the importance of a trauma-informed approach to economic empowerment. As advocates, it may not be possible to eliminate these bad experiences for our clients when they try to access public assistance, but here are some things that we CAN do:
 - [Click] Raise awareness of the issue of institutional trauma and educate our clients on it. It's not like they're imagining it, is “a thing”, it’s a common occurrence.
 - [click] Prepare victims mentally, warn them that navigating the system will probably be difficult mentally and emotionally.
 - [click] Many times we won’t be able to accompany them personally, but it is still possible to provide them with some kind of “coaching”. Such coaching may look like affirmations (“you have the right to receive this kind of help”, “you have the right to be treated with respect”, etc.) and/or specific language that they can use when they need to push.
 - Important because trauma can affect some language areas of the brain, making it hard for survivors to articulate ideas, for example, describe their current finances or express what they need exactly, so sometimes it may be helpful to rehearse or help them put stuff into words that they can use when they go to request assistance.

D. Institutional Re-traumatization

QUESTIONS FOR SUPPORTING A TRAUMA-INFORMED APPROACH:

- To what extent are program activities and settings consistent with the principles of: Safety, Trust, Choice, Collaboration, Compassion, and Empowerment?
- To what extent does the program maximize trustworthiness by making service delivery clear, ensuring consistent... open, honest, and respectful communication?
- To what extent does the program maximize client experiences of choice and control?



Experts in trauma-informed organizations provide us with a number of both Self-Assessment and Organizational Assessments to determine what extent an individual and/or organization is trauma informed.

The following is an overview of questions common in most assessments:

- To what extent are program activities and settings consistent with the principles of: Safety, Trust, Choice, Collaboration, Compassion, and Empowerment?
- To what extent does the program maximize trustworthiness by making service delivery clear, ensuring consistent... open, honest, and respectful communication?
- To what extent does the program maximize client experiences of choice and control?


Source:

<https://trauma-informed.ca/trauma-informed-care/trauma-informed-organizations/>




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- A. Intro: The Need for Trauma-Informed Financial Education
- B. Defining Trauma and Economic Abuse
- C. Financial PTSD and the Scarcity Mindset
- D. Institutional Re-traumatization
- E. Mitigating Shame through an Economic Justice Framework



This is an overview of the contents of this training.



E. Mitigating shame through an Economic Justice framework



Here we call attention to the fact that when seeking financial wellness, many survivors are faced with difficult obstacles imposed by our economic system.

We address them to raise awareness of the fact that many times what's broken isn't the person, but the economic structures in which our clients are expected to operate.

The hope is that this will help alleviate the shame that is so detrimental to the process of healing financial trauma.



How does Economic Justice fit into this?

Unjust economic structures can exacerbate trauma

.....
Manifests as shame

.....
“If you’re poor, it’s your own fault”



So, how does Economic Justice fit into all of this?

Meaning, why should we discuss economic injustice in the context of trauma-informed services? Here are some ideas compiled by some of our research...

- Unjust economic structures can exacerbate trauma in DV victims/survivors.
- This trauma is frequently manifested as shame.
- On top of this, there’s a common narrative in this culture that tells us that being poor is something to be ashamed of and [click] your own fault.



“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.”




According to the center on Financial Trauma and Wealth Justice, this message is echoed in some financial literacy programs.

Meaning, the blame and shame often falls onto those who are already most vulnerable.





E. Economic Justice Framework



Redefining Economic Abuse

Shedding light
on the systemic obstacles
impeding equitable access to \$



In this sense, our work as advocates needs to include shining a light not only on economic abuse in the traditional sense, as in “one person is the abuser” but on the systemic obstacles impeding equitable access to material wealth and financial wellness. And this is the work of Economic Justice.



Poverty Traps

A mechanism that makes it very difficult for people to escape poverty.

So what are some of these obstacles? These obstacles are also sometimes called “Poverty Traps”.

Poverty traps are mechanisms that make it very difficult for people to escape poverty.

E. Economic Justice Framework

Jobs with low hourly wages

Little opportunity for promotion

Poverty Traps



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The first example of this type of poverty trap, is being trapped in jobs with low wages and that have little to no opportunity for growth.

Source:
Financial Social Work Webinar "Overcoming Irrational Financial Decisions"
<https://financialsocialwork.com/downloads/overcoming-irrational-financial-decision-making>

E. Economic Justice Framework

Payday Lenders

Poverty Traps



Another is the use of payday lenders

Source:

Financial Social Work Webinar "Overcoming Irrational Financial Decisions"

<https://financialsocialwork.com/downloads/overcoming-irrational-financial-decision-making>

Image source:

www.npr.org/blogs/money/2009/11/rip_pay_day_loans.html

E. Economic Justice Framework

Enrolling in for-profit universities or trade programs with no good job prospects

Poverty Traps

Community College tuition: \$3,730

For-Profit College tuition: \$15,780

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Enrolling in for-profit universities or trade programs with no job prospects

Source:

Financial Social Work Webinar "Overcoming Irrational Financial Decisions"

<https://financialsocialwork.com/downloads/overcoming-irrational-financial-decision-making>

Source for numbers:

US News

<https://www.usnews.com/education/best-colleges/paying-for-college/articles/the-real-cost-of-for-profit-colleges#:~:text=Tuition%20and%20fees%20at%20four,time%2C%20full%2Dtime%20undergraduates.&text=%7C->

[,Jan.,2022%2C%20at%209%3A30%20a.m.&text=For%2Dprofit%2C%20four%2Dyear,public%20and%20private%20nonprofit%20colleges.](https://www.usnews.com/education/best-colleges/paying-for-college/articles/the-real-cost-of-for-profit-colleges#:~:text=Tuition%20and%20fees%20at%20four,time%2C%20full%2Dtime%20undergraduates.&text=%7C-)

[,Jan.,2022%2C%20at%209%3A30%20a.m.&text=For%2Dprofit%2C%20four%2Dyear,public%20and%20private%20nonprofit%20colleges.](https://www.usnews.com/education/best-colleges/paying-for-college/articles/the-real-cost-of-for-profit-colleges#:~:text=Tuition%20and%20fees%20at%20four,time%2C%20full%2Dtime%20undergraduates.&text=%7C-)

<https://educationdata.org/average-cost-of-community-collegeX>

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E. Economic Justice Framework

Lack of quality and affordable childcare

Can't afford to have a job

Poverty Traps



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Lack of affordable and quality childcare

This makes it so that for women, often times it is more expensive to have a job than not to have one. Some women literally can't afford to have a job.

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The Cash Bail system

Poverty Traps



The Cash Bail System

Students at our clinic have pointed out how this can become a poverty trap: one needs to pay in order to get out of jail, which sometimes involves getting expensive loans. If a person ends up getting incarcerated, then they can't even work to pay the money that they borrowed for bail.



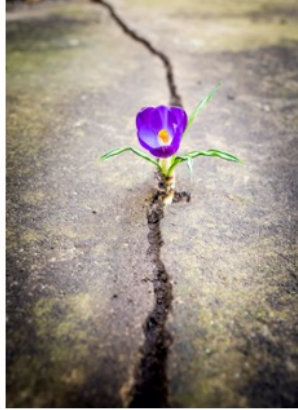
There are many ways in which DV is a poverty trap, but mainly is that escaping violence is expensive: costs a significant amount of time and financial resources (i.e. seeking counsel, relocating).

The time spent getting to safety many times means missing work and source of income > perpetuates cycle of poverty.

The latter is magnified or exacerbated by the repercussions of financial abuse even when the relationship has ended: lack of stable jobs, spotty work history, coerced debt, the list goes on.

Source:

<https://www.weforum.org/agenda/2022/11/to-take-violence-against-women-alleviate-poverty/>



**When most people in our
country are just getting by,
rather than getting ahead,
the system is what is broken...

... not you.**

What this tells us is that [click] “When most people in our country are just getting by, rather than getting ahead, our system is broken.” (Source: ProsperityNow.org)


This may all sound disheartening, the message here is really something positive: the system is what’s broken, not you.

When we bring economic injustices to light, we’re helping to create clarity for survivors, helping them to disentangle from their feelings of shame.




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- F. Conclusion: Takeaways for Helping Victims of Economic Trauma and Abuse



This is an overview of the contents of this training.



F. Takeaways for Helping Victims of Economic Trauma and Abuse



This is a short guide for advocates to help victims of economic abuse and financial trauma.

Even when done in a general way, INFORMATION ABOUT FINANCIAL TRAUMA AND ITS IMPACTS MAY HELP INDIVIDUALS UNDERSTAND THEIR REACTIONS AND DEVELOP INCREASED SELF-COMPASSION.



Normalize responses to traumatic situations, raise awareness about financial trauma, and be cognizant of the detrimental effects of shame.

The mantra of shame, “if you knew the real me, you wouldn’t like it”, finds a perfect analogue in terms of financial shame: “if you knew my income, debt, bad decisions, and coverups, you would definitely not like me” or try to help me.

Many clients feel that level of distress regarding their finances, and it is our job to help them feel safe when talking about this.

F. Takeaways for Helping Victims of Economic Trauma

LEARN TO
RECOGNIZE
TRAUMA RESPONSES



Learn to recognize trauma responses, such as fight, flight, or freeze.



Acknowledge the client's ability to survive and even grow from adversity; acknowledge the strength it takes to get to where the client currently is.

F. Takeaways for Helping Victims of Economic Trauma

TRY NOT TO JUDGE

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Consider how certain behaviors and beliefs may be a reasonable response to trauma.

It helps to ask yourself “what has happened to this person to trigger this response?”. Frame questions and statements with empathy, being careful not to judge.

F. Takeaways for Helping Victims of Economic Trauma

ACKNOWLEDGE
THE DIFFICULTY
OF TALKING ABOUT \$

SHH!

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Use reassuring language. Some examples are: "this is a sensitive topic", "in our society we just don't talk about finances openly", "there is no judgement here / this is a safe space". Reiterate this kind of language often.

F. Takeaways for Helping Victims of Economic Trauma

EXAMINE
POWER ISSUES

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When systems and organizations are committed to integrating these principles at every level, they should consider the power dynamics at play.

Ask yourself, "whose needs are being served?", "are policies empowering those being served or those providing the service?". For example, is emphasis being placed on control rather than the comfort of those being served?

AFFIRM THE CLIENT'S AUTONOMY



Affirm the individual's choices and explain the benefits of safety planning and seeking wellness. Advocates and other providers should offer respect, not rescue; options, not orders, and safe advocacy or treatment rather than re-victimization. Involve the client in the decision-making process with regard to service options.

F. Takeaways for Helping Victims of Economic Trauma

HELP LABEL FEELINGS
& KNOW YOUR MONEY STORY

Label your feelings, encourage mindfulness practices, get to know your “money story” and the root of your financial trauma.



Remember that growth doesn't happen overnight. Practice patience with your clients and encourage them to have patience with themselves.

F. Takeaways for Helping Victims of Economic Trauma

YOU DON'T HAVE
ALL THE ANSWERS

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... But you can still help the people you serve get the information they need. Make an appropriate referral and emphasize that they're not wrong for coming to you with this. Make it clear that you will help them figure out who can provide the needed help and are happy to explore options with them.



To help alleviate shame, focus on the fact that being in a tough financial situation can be the result not only of trauma, but also of inexperience and lack of opportunity, rather than a lack of character, faulty morality or being incapable of achieving financial wellness.

Focus on the fact that it is possible to learn, grow and achieve financial security little by little.



Thank You

DOMESTIC VIOLENCE LAW CLINIC | GENDER JUSTICE WORKSHOP

