



# THE HEALING FROM FINANCIAL TRAUMA WORKBOOK



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# Introduction

It makes perfect sense to want to kill or shut down financial trauma. Wanting to heal or resolve it is a great goal, but financial trauma (all trauma) is sketchy, sneaky, and resistant to those efforts. All kinds of trauma have a lot in common with grief. Very often trying to get rid of it won't work, and the best way to reduce the impact of trauma or grief, is to grow your life around it.

To that end, this workbook will work through three stages:

1. Understanding and being aware of financial trauma
2. Reducing the impact of financial trauma
3. Beginning the work of healing from financial trauma

## Stage 1: Understanding and awareness of financial trauma

### Unit 1: What is financial trauma?

Understanding the root causes of financial trauma is an important step in beginning to heal and overcome this trauma and its long-lasting impacts

*Approximate read time for this unit: 7 minutes*

Raise your hand. For each of the following statements that you agree with, put a finger down.

“I am frequently upset at reminders of my past financial choices.

“I have difficulty falling or staying asleep because money is on my mind.

“My body reacts when I’m thinking or talking about money and finances (sweatiness, increased heart rate, churning stomach, dizziness).

“I avoid or put off opening mail, paying bills, or making even small financial choices.”

“I have difficulty concentrating on things because of my finances.”

If you have three or fewer fingers still up, keep reading!

Let's take those same five statements and re-frame them.

"I am frequently upset at reminders of that car accident."

"I have difficulty falling or staying asleep because I'm thinking about the abuse I suffered."

"My body reacts when I'm reminded of or talking about my stroke."

"I avoid or put off doing anything related to my trauma."

"I have difficulty concentrating."

It's easy to see these second five statements as indicators of possible trauma. But why don't we ever hear those same indicators as financial trauma? It's so seductively easy to think "I just need to get my act together" regarding finances. But we wouldn't tell someone who's been traumatized to "Just get your act together with that trauma already!"

We use money nearly every day of our lives, yet we never really appreciate that our mindsets and choices around money have the potential to be traumatizing and re-traumatizing. And, weirdly, finances are one of the few domains of our lives where we can actually traumatize OURSELVES... which comes along with a whole bunch of shame, guilt, regret, and remorse.

So when people ask why my curriculum is trauma-informed, this is why. Because our world is getting better at talking about traumas, and understanding that just ignoring traumas NEVER heals them.

Frustratingly, however, we are still no better at recognizing or talking about financial trauma. And we can't get better at talking about something if we don't know what it is

## **What is Financial Trauma?**

Within the [Pacific Stoa](#) curriculum, financial trauma is defined as a lasting emotional and behavioral response to a disturbing financial event or memory of an event. These events can be either directly or indirectly financial events.

## **Causes of Financial Trauma**

Our earliest financial traumas happen in childhood, but we have plenty of opportunities to look back over our lives and see all the things we did "wrong", and each one of those incidents, and every time we think about those incidents can register as trauma.

### **There are the obvious causes of financial trauma:**

- Job loss, underemployment, or lack of financial opportunities
- Unforeseen expenses or missing out on unexpected financial opportunities
- Limited access to financial resources
- Divorce and separation
- Natural disasters
- Medical expenses

### **And then there are the less obvious causes of financial trauma:**

- Financial enmeshment as a child
- Early childhood financial experiences and inherited messages about finances
- Negative interactions with financial institutions and professionals
- Being financially dependent on another person (partner or parent)
- Having others financially dependent upon you (partner or grown children)
- Systemic economic inequality
- Our own internal shame, judgment, regret, and guilt
- Cultural and societal expectations around money, success, productivity, and self-worth
- Being a victim of financial scams or fraud

### **Societal and Cultural Impacts on Financial Trauma**

We are almost perfectly set up by our cultural expectations for financial trauma. Many of the messages and expectations we've internalized over the course of our lives contradict each other, yet we expect ourselves to be able to meet each of those expectations.

One example of these impossible expectations is the [Just World Fallacy](#).

The Just World Fallacy says good things happen to good people, and bad things happen to bad people.

It tells us the lie that the world is a just place, therefore to get yourself out of whatever pickle you are in, you just need to work harder, be more productive, prioritize better, burn yourself out a little more, and sacrifice a little more. If you are going through a tough time, if that pile of bills on the table is mocking you, or you don't have enough in savings, or you and your spouse can't communicate with each other about money, in some way you must have earned this hardship. And you just need to obligate or restrict yourself to get out of it.

The Just World Fallacy blocks empathy, both for yourself and for others. And it tells you that YOU are the problem.

Another cultural expectation is our [honor culture](#)'s obsession with how things reflect on us. Being concerned about reputation and how others see us is a deeply human thing. It's part of how we stay connected to the safety of the larger community.

Unfortunately, this reliance on others for our own self-worth means that we overvalue a positive social image, and keep up appearances. The outgrowth of this in the personal finance world is that [talking about money](#) is taboo. Any part of our financial lives that we think might not conform to what we've internalized as the "correct" or "normal" way to use money will be something we hide. That withdrawal and avoidance in turn makes it harder for us to seek out resources, and nearly impossible to communicate with others about what we need.

### **How Does Financial Trauma Impact Our Lives?**

Not surprisingly, the varied causes of our financial traumas mean that we are more or less bathed in the compounding impacts of those traumas. While each of us is different, the impacts of financial trauma can look like this:

Not being able to trust yourself

Procrastination/ Avoidance/ Hesitation

Difficulty making decisions

Under or over-assessing risk

Negative impacts on close relationships

Mental and physical health impacts (lack of sleep, holding off on seeking medical attention or taking medication due to financial worries)

### **Financial Trauma and Mental Health**

There is an evil feedback loop between finances and mental health. Money is tightly bound to our sense of safety and security. When our financial security feels threatened, we may suffer from anxiety, depression, hypervigilance, and PTSD.

In turn, those mental health concerns make it increasingly difficult to make good, future-focused decisions. Mental health concerns are very selfish and present-focused. And because all of our decisions are either directly or indirectly financial decisions, even the smallest choices have an impact. Those present-focused decisions from the past compound, making life more difficult now, which triggers more anxiety and depression, which makes decision-making harder and on and on and on.

## **Budgeting and financial trauma**

I realize it looks like expecting yourself to keep to a budget will resolve financial trauma, or at least prevent new traumas, but nothing is further from the truth.

We're talking about two different domains. Financial trauma lives in the domain of our relationship with money. Budgets live in the money system domain. You cannot fix a relationship concern with a system tool. Although most of us have tried MANY times. It's like trying to fix a compound fracture with a root canal. Orthopedic surgery and dental surgery are both valid treatments, but only when the injury or illness calls for them.

[Rather than starting with a budget](#), start with being patient and gentle with yourself.

## **In Conclusion**

Financial trauma is the long-lasting emotional and behavioral response to a financial event. Surprisingly, the best way to begin healing financial trauma is to be patient and gentle with yourself.

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## Unit 2: Exercise: Financial trauma quick assessment

*Only a qualified, experienced trauma therapist can diagnose any kind of trauma. This assessment is intended for educational purposes only and does not constitute professional advice. Please consult with a qualified expert for any decisions requiring specialized knowledge. The information provided may not be completely accurate or up-to-date, and the creator is not liable for any errors or omissions.*

### Financial trauma assessment

Check all the statements you agree with

- When I think about my finances I feel like shutting down or running away
- When my finances are going well, I'm in a good mood
- I rarely feel safe in regards to my money
- I feel like I'll always be stressed out about money
- I feel defensive when talking about money
- I don't talk about money, even with my closest loved ones
- I can't stop talking about money
- I feel isolated because of my money
- I feel restricted because of my money
- There is a stack of bills piling up
- I feel like a bad person because of the way my finances are
- I lose sleep because of my finances
- I feel nauseous because of my finances
- I feel anxious and exhausted taking this assessment
- I'm bad at budgeting
- I don't trust myself with money
- I often feel resentful and/or rebellious when it comes to money
- I've told myself I deserve spending or things
- I've told myself I do NOT deserve spending or things
- I don't socialize as much as I would like because of my finances
- Sometimes I think "screw this" and spend money I don't have
- I sometimes feel triggered by money situations in the present that remind me of a financial experience from the past
- I often feel like I'm just moving through the world like a zombie

- When I think about my finances I get angry (at myself, others, situations, etc)
- I am ashamed of my financial situation
- I feel like many opportunities and choices are unavailable to me because of my finances
- When my finances are going poorly, I'm in a bad mood
- My finances are affecting one or more important relationships in my life
- I feel irritable because of my finances
- I try to out-earn my financial situation (just making more money)
- I ruminate or worry about money
- I procrastinate

If you checked more than three of these statements, financial trauma may be impacting your life.

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## Unit 3: Exercise: Practicing self awareness without judgment

I've never had to teach anyone to be self aware WITH judgment. We're all already very good at that. But the skill of being self aware without judgment means we can show ourselves grace and acceptance. That acceptance will help further lift the fog that comes along with the urgency to fix all of our financial concerns RIGHT NOW.

Grace and patience don't mean an abdication of all responsibilities, of course, it just means acceptance of past decisions. Just like observing without judgment, giving ourselves grace means we can begin to trust ourselves, be resilient, and make better long-term choices.

Observation without judgment will allow you to make “mistakes” and still give yourself grace. It allows growth without expectation, and introduces scientific (and therefore distanced) language into your financial life. It also allows you to try new things without pre-failing yourself or resistance.

Grace is also a practice in slowness. With slowness comes intentional decision making and typically better decision making. And as I'm sure you know, any financial decision motivated by the reactivity of financial trauma is lightning fast and likely not be of service to you in the future.

And of course, practicing grace for yourself is the single most important thing you can do to begin to heal from financial trauma.

So how do you even start practicing self awareness without judgment? Let's start with a story.

The wild animal and the scientist:

*I'd like you to imagine a scientist out in the wild, they've got their pith helmet and their khaki clothes and their little notebook and all that... Can you see it? This scientist is out in nature observing a wild animal and taking notes. We're going to make an assumption that this is a good and ethical scientist who is using something called naturalistic observation.*

*Would the scientist be trying to change the wild animal's behavior?*

*Not likely. There are a few reasons for this. 1) the scientist needs nice clean data to do the work of science, and if they artificially change the animal's behavior they are going to get back messy data and 2) respect. The wild animal is a wild animal doing wild animal things, and if the scientist is ethical, they need to not interfere as much as possible.*

*So let's say the scientist has observed long enough and thinks they understand the wild animal's "normal" behavior. And then the scientist watches the wild animal deviate away from that normal, would the scientist try to correct the animal's behavior?*

*Again, not likely. and for the same reasons as above. Maybe the scientist will be curious and ask more questions, but they are probably not going to correct the animal's behavior.*

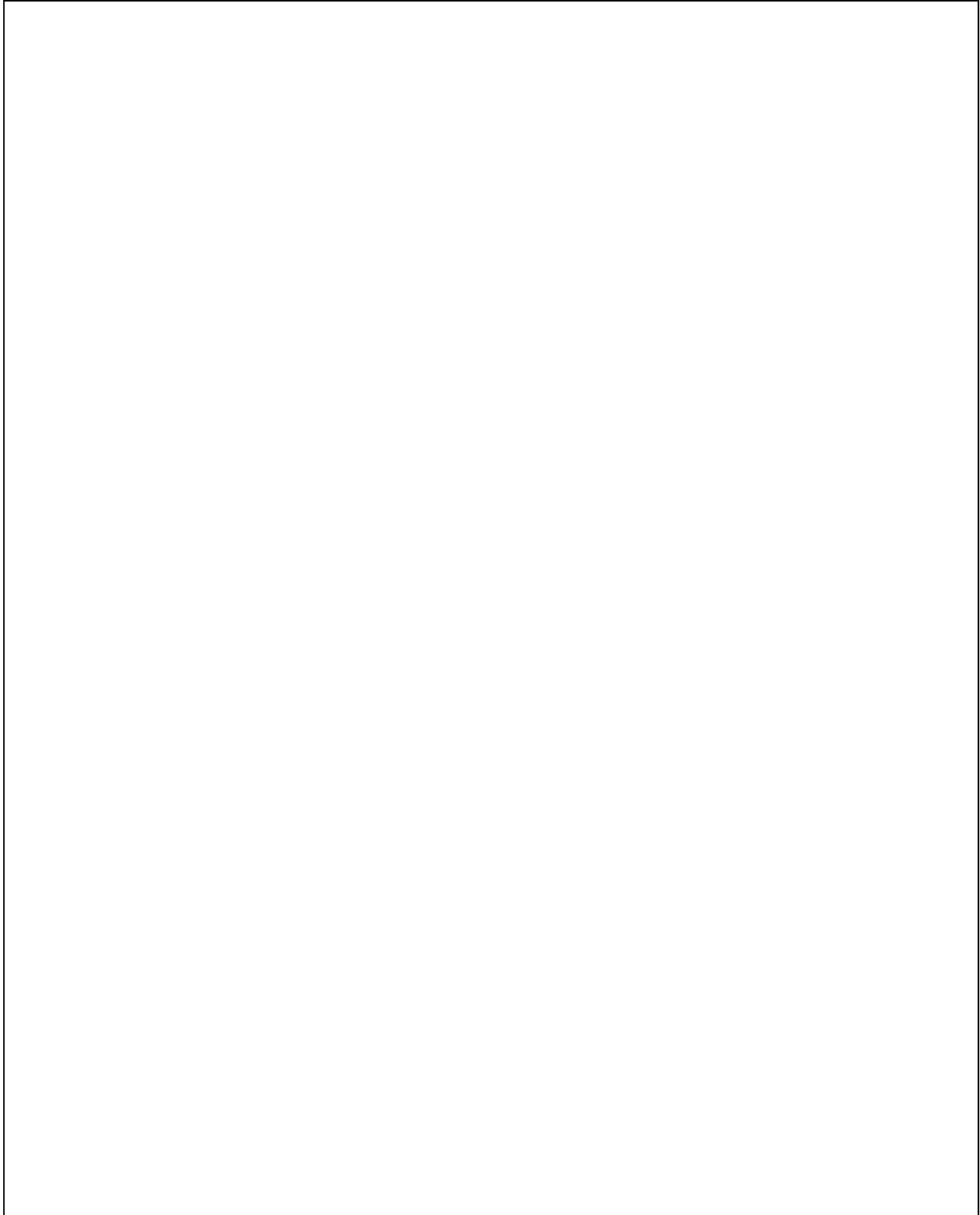
*Ok so now the scientist sees the animal eat something gross. Is the scientist going to write in their notes "oh my god this animal is so disgusting I can't believe it just ate all of that rotten, moldy elephant poop!!! What a stupid, gross animal!"?*

*Again, probably not. Even if the scientist is legitimately grossed out, they are probably not going to pass judgment on the animal. Why? Because that judgment and condemnation isn't helpful. It isn't important that the scientist was grossed out, what's important is the data, the patterns of the animal's behavior, and what questions this brings up for the scientist.*

*The scientist has three jobs. The first is just to observe, just gather information, right? The second job is to look for patterns. (Humans are almost too good at pattern recognition) And the third job the scientist has is to come up with a hypothesis and then a test or experiment to check that hypothesis.*

The purpose of me telling you this story is that I want you to be both the wild animal AND the scientist. Any time you're observing your own behavior... ANY behavior, I'd like you to try not to change your behavior. Intentionally changing our behavior while we're observing it means we get back messy data. Next you'll just naturally begin to notice patterns... this part I don't have to teach. Then, as we work towards system building and problem solving, we'll be running some experiments. Running experiments on yourself this way is important because it means we aren't judging or evaluating you, we're judging and evaluating the experiment or hypothesis.

Ok so on to the actual exercise. I'd like you to break out something to write on and something to write with, unless you've printed this workbook, and there's a blank page for you next.



First draw out your financial life as you see it now. Include all the messy stuff, all the trauma responses, the reactivity, all the doubt, everything. If you've got bills piling up, draw a little picture of the bills, etc.

Next, draw a little scientist version of yourself with a little lab coat or pith helmet or whatever. Or maybe a little magnifying glass. Go nuts.

Now begin to write out the scientist-You's observations. What behaviors are you seeing? What patterns? What happened before a given event, and what happens after?

Make sure your scientist is indeed coming from a neutral and non-judgmental place. If you find the shame sneaking in, well then observe that too.

If you can, begin to fold in a little curiosity. You're not interrogating or finding blame here, just trying to understand the patterns of behavior.

Quick note: Often I'm asked how to even begin the process of observing one's own behavior without judgment. And for some this can feel like a totally foreign concept. If that's the case for you, first practice on your body before you practice on your behaviors. Check in with your left ankle right now? How is it feeling? What is it up to? THAT is self awareness without judgment. Just as you observed your ankle, gently begin to observe your own behaviors.

Ok, you're up! Draw that big beautiful picture!

Exercise reflection question:

What did you notice as you drew the picture of your financial life and your own self observing?

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## Stage 2: Reducing the impact of financial trauma

For this stage we're going to focus on just three elements of financial trauma (although there are many, many more)

Reactivity- which can look like both shutting down or lashing out

Inflexibility/Certainty/Brittleness

Procrastination/ Hesitation/Avoidance

I need to make it super clear that none of these things are personality defects, and shouldn't even be considered a choice or behavior. These are protective responses and a result of financial trauma, not a result of you being a garbage human.

The two exercises we'll talk about are meant to reduce the impact of these three elements of financial trauma

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## Unit 1: Exercise: Beginning to build resilience

The purpose of this exercise is to starve out procrastination/hesitation/avoidance (not fight with it), and practice resilience and flexibility.

By its nature, financial trauma is extremely past and present focused. The terror of trauma is incompatible with thinking about the future, and our brains are generally pretty bad about thinking about the future even in the best of circumstances.

This can be extremely exhausting and overwhelming. That exhaustion leaves no room for thinking about the future, and sometimes the only thing we can do is try to soothe ourselves RIGHT NOW.

Self care is one way we care for our right-now selves, and procrastination is another. It could be argued that the difference between self care and procrastination is so miniscule it's not even worth trying to define the two terms. Making life easier for the right-now version of ourselves makes sense when we're stressed out though, as that's the only version of you that can feel joy, comfort, pleasure, pain, discomfort, etc. And that's not a bad thing. But it's also important to care for the future versions of ourselves.

So how do we begin taking better care of the future version of ourselves? With the silly exercise to follow.

This exercise also helps build resilience, and resilience is something we lack when we're under the influence of financial trauma. Here's the exercise:

### Second Wave Self Care (SWSC)

To do this exercise, you're going to set out a task for yourself. This task needs to meet some requirements though.

It must:

-be at least a little uncomfortable for Right-Now You. Not punishing, not painful, just a little annoying. If the task makes you a little bit grouchy, that's great!

-will make life easier for you tomorrow. Not two months from now, not 10 years from now, literally just tomorrow.

-is microscopically small.

Why does it need to be a little uncomfortable?

Because we're training your brain that you can survive little hard things. Resilience is built cumulatively... it doesn't have to be life or death. More on this when we talk about the most important step below. The smaller your SWSC tasks are the better it will work.

Why does it need to be for tomorrow?

Because if we try to go too far out, our brains get overwhelmed. Tomorrow is easy enough to think about, and we get the chance to reap the rewards of that little task sooner than if we were aiming for 10 years from now. If you want to really ramp up the efficiency of this part, imagine yourself tomorrow making use of this nice thing you're doing for yourself. So if my SWSC task is to fold one towel, I visualize myself using the towel tomorrow as I'm folding it right now.

Why does it need to be microscopically small?

Because if we practice this game on tasks that are too big, we raise the stakes. The purpose of this game is not to get chores done (although that does happen). The purpose of this game is to teach your brain that you can survive small things, and that those small things do have a positive impact on your daily life.

**Caution: Don't play this game with financial tasks.**

At least not at first. Start with safe, non-financial tasks first, then once you gain some momentum ), move on to small financial tasks.

**The most important step.**

*As you complete the task, ask yourself "Did I Die?"*

My recommendation is to do just one of these Second Wave Self Care tasks per day. Just one.

Exercise reflection question:

What do you think you'll notice as you practice making your Right Now self annoyed in the service of Tomorrow you?

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## Unit 2: Exercise: Desire and Capacity

The purpose of this exercise is to reduce reactivity by slowing down reactions, and to be self aware without judgment.

I want you to think about a scale from plus five to minus five.

Plus five is “F yes”, minus five is “F no”. And right in the middle is neutral. So neither F yes, nor F no. Or because human beings are complex, both F yes and F no at the same time.

I'm going to ask you to evaluate yourself on two domains, using the same scale. The domains are desire and capacity.

Let's practice! Give me two numbers, a desire number and a capacity number. What is your desire number and then your capacity number for a cheeseburger right this minute? (circle the number, don't think about this too much)

Desire for a cheeseburger:

+5 +4 +3 +2 +1 0 -1 -2 -3 -4 -5

Capacity to get a cheeseburger to my face:

+5 +4 +3 +2 +1 0 -1 -2 -3 -4 -5

Let's say I'm a +3, -4

That means I have a middling level of desire for a cheeseburger, but a really low level of capacity.

Capacity incorporates three things: your energy/effort/work capacity, your time capacity, and your financial capacity.

If you and I are thinking about going out to eat and you ask me, "Hanna, you want to go grab a cheeseburger?" and I say "I can't." you might assume that I don't want to. But by using the +5/-5 tool, we can communicate a LOT of information to each other. If I say I'm a +3, -4, now you have a better understanding of what's going on in my head. I want to, but for some reason I don't feel like having the capacity for getting a cheeseburger. This means this tool can be used very well in communication with others by both clarifying and being fast. It can also easily prompt deeper conversations both with ourselves and with others.

But this isn't primarily a communication tool. It's a self awareness tool (you knew I was going to say that, right?).

Here's how:

In order to come up with a number for your desire and capacity you have to check in with yourself. And no one on this planet, including you, gets to second-guess why your numbers are what they are. We are simply practicing acceptance. No one gets to say to you "Why isn't your desire for this higher?" or "You should have capacity for this because you said you were taking this seriously?" That is all shame, judgment, and obligation, which comes right along with financial trauma. In fact, shame and force is how we re-traumatize ourselves.

And you're also aware that desire and capacity are two distinct things. They interact with each other, but desire capacity is not the same thing. Sometimes we say, "I don't have the desire for that" when we might mean "I don't have the capacity". And sometimes we say, "I don't have the capacity for that" when what we might mean is "I don't want to". And "I don't want to" is a perfectly fine thing.

I taught this to one of my clients and she taught it to her entire team. She asked a subordinate, "What are your desire and capacity numbers for a quick 15 minute meeting about x topic at three o'clock today?" And her employee said "I'm at minus three, plus four."

Let's practice again. So what are your desire and capacity numbers for running a marathon right now?

Desire for a running a marathon right now:

+5 +4 +3 +2 +1 0 -1 -2 -3 -4 -5

Capacity to run a marathon right now:

+5 +4 +3 +2 +1 0 -1 -2 -3 -4 -5

By getting clarity on your desire and capacity numbers, or by asking somebody else what their desire and capacity numbers are, we're implying a level of respect for those numbers. This becomes a self-care tool.

Desire is difficult to influence, we can fake it, but our brains and bodies know at some level when we are doing something we don't want to do.

Capacity, on the other hand, we can influence.

Let's say I have a long day ahead of me and I'm already low on capacity. What can I do to change my capacity? Do I lay down for 10 minutes? Do I put on Dropkick Murphys, and dance around like a ding dong? Do I have a snack? What can I do to help change my capacity?

Forcing or expecting myself to have a higher desire or capacity is not the answer either.

Financial trauma often happens when we've had experiences that remove our choice and have no regard for our capacity. By practicing being respectful of your own desire and capacity, you will reduce the impact of that trauma, reinforce that you can be trusted (resilience), and be able to make better future-focused decisions.

A final note on this exercise:

Both desire and capacity move around a lot. Just because your (or someone else's) desire and capacity are one way right now doesn't mean they'll be the same way in 10 years or 10 minutes. Again, we're practicing flexibility here.

Exercise reflection question:

What kinds of patterns do you think you'll notice as you begin evaluating your desire and capacity?

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# Stage 3: Beginning the work of healing from financial trauma

## Unit 1: Recovering from financial trauma

There isn't some 5-step process to overcoming [financial trauma](#). You could do all the positive affirmations, journaling, calendaring your financial tasks, or make endless spreadsheets and none of it will work.

The one thing, the very first thing, and by far the hardest thing to do as you begin recovering from financial trauma is to be gentle with yourself.

*Approximate read time for this unit: 9 minutes*

### **Healing from all trauma is difficult, but shame makes it that much harder**

Shame, judgment, and guilt are powerful emotions. Acting under the influence of these emotions feels like we are doing something, ANYTHING to recover from past decisions and prevent new "bad" decisions.

People experiencing financial trauma are incredibly hard on themselves. They may also hyperfocus on one or two things. Hyperfocus might sound like a good thing, but it can be its own kind of avoidance, and at the very least makes it difficult to see things coming at you from left field.

### **Financial trauma and procrastination**

Avoidance, apathy, and procrastination are deeply misunderstood. We avoid the things that hurt us. That's something all living things do! It's an absolutely abhorrent idea that we should be able to move towards, force ourselves into, or intentionally expose ourselves to pain and trauma. And yet when finances are the topic, we expect just that.

In other articles, and [throughout coaching](#), I talk about a fictional couple, [Sam and Mo](#).

Sam and Mo attack each other, avoid financial conversations, procrastinate on paying bills, and escape into other activities rather than sit down and talk about money. They alternate between feverish, desperate, panicked attempts at budgeting and being shut down and hopeless. Each of them feels isolated from each other, friends, and family. No one can understand them.

That isolation comes with shame. They are exhausted, hurt, and terrified. Nothing either of them ever feels like enough and it feels like they're always going to live this way.

I hope you have a pretty good picture of Sam and Mo in your head. Now remove the element of finances from your image of them. Let's replace that with any kind of loss. The loss of a loved one, a job, or even health will do nicely.

## Loss, pain, and trauma

Let's picture their story again.

Sam and Mo attack each other, they avoid talking about the loss and procrastinate on anything having to do with recovery from that loss. They escape into other activities rather than sit down and talk about their loss. They alternate between feverish, desperate, panicked attempts to resolve that loss and stop the pain associated with it, and being shut down and hopeless. Each of them feels isolated from each other, friends, and family. No one can understand them.

That isolation comes with shame. They are exhausted, hurt, and terrified. Nothing either of them ever feels like enough and it feels like they're always going to live this way.

When framed this way, most people will see Sam and Mo with much more compassion after they've suffered a loss versus if they are struggling financially. When it comes to finances, we, as a society, have wholly bought the lie that your financial situation is a reflection of your worth. You made your bed, now lie in it. You did this to yourself.

It's also much easier to see that there is trauma in the loss, pain, and grief, but we are less likely to acknowledge financial trauma. And unacknowledged trauma only creates more trauma.

The tools we have to make better decisions (and in theory prevent future trauma and failure) only make the problem worse.

## Financial Trauma, Force, and Restriction

*Look, Sam and Mo. You two just need to sit down once and for all and talk about this traumatizing thing. Get it together! Stop spending on stupid stuff, stop avoiding bills, and just talk about this painful topic that has hurt you both every time you've tried talking about it over the last 20 years.*

Force, obligation, and restriction can look like they are propelling us forward, but instead only result in negative self-talk and the reinforcement that we can't do anything right. Feeling like a failure is a horrible place to make decisions from. Decisions made from this place of "I'm not enough" typically only increase financial insecurity, and in turn, financial trauma.

If you have to force yourself to do something, the message you're reinforcing to yourself is that you can't be trusted to act without force. This deeply wounds our sense of autonomy and will likely result in one of two responses on your part. Rebellion, resentment, or more than likely, both. Rebellion and resentment are the normal, healthy reactions when we feel choices have been removed from us. Removal of choice means we are in dire straits to the survival-obsessed part of our brains, the [R-complex](#). And that part of our brains WILL NOT stand for a reduction of choice. That's what rebellion and resentment are for... to claw back control of our lives.

And your brain does not know the difference between someone else removing choices from you, and you doing it to yourself. Your brain doesn't know, and it doesn't care. That's why restriction will get you short-term compliance, but not long-term behavior change.

### **The Poverty of Restriction**

Restriction has a great sales pitch! Restriction tells us "This is the only way you'll make better choices, you can't trust yourself to make good decisions, so just restrict, restrict, restrict". But restricted spending IS emotional spending.

I hear this frequently as: "I just need to focus on my needs, not my wants" and "We just need to tighten our belts". All of this is a setup for failure. We set up unrealistic, unsustainable expectations, and then we fall off, even a little, we shame ourselves. And that counts as trauma too. So we get stuck in this feedback loop of restriction, rebellion/resentment, perceived failure, and trauma. It's nearly impossible for us to make good decisions with an eye to the future when we are locked in the fog of trauma.

Shame, judgment, guilt, remorse, and obligation will not help clear that fog. If they were going to work, they would have worked by now. Restriction, shame, and force will only increase financial trauma.

**“FFS, Hanna, just tell us how to recover from financial trauma!”**

No one likes my answer to this. I think what people want is for me to give them a premade budget, a set of rules, or some magical restrictive plan. But none of that will work.

What I work on with my clients is far more difficult... Trusting yourself with money.

There are a few ways you can help yourself begin the process of recovering from financial trauma, and a few ways you'll need a team for.

**The first way you can begin healing is to be patient with yourself. Practice is grace. Go slowly.**

The single biggest thing you can do to heal financial trauma and all of the muck that comes along with it is to give yourself grace. And this means being patient with yourself even for times you have NOT been patient with yourself.

**After you have practiced being gentle with yourself, you can practice being aware of your behavior without judging your behavior.**

Treating yourself gently is a mindset, and being aware of your own behavior without judgment is that gentleness in practice. Being aware of our behavior without judgment requires grace, and acceptance of ourselves where we are RIGHT NOW is pretty much the only way we get to long-term, positive behavior change. The ability to observe yourself without judgment means you can look for patterns, experiment, pivot, and iterate plans and systems quicker than you can when you're shaming yourself. Observation without judgment means you evaluate the systems and strategies you're using, not yourself.

And in the process of evaluating the systems we use (not ourselves), we learn to trust ourselves.

**Once you can be aware of your own behavior without judgment, you can learn to trust yourself**

There is no difference between trusting yourself and being resilient. Learning to trust yourself doesn't have to be onerous. In fact, I typically teach my clients how to [trust themselves with a game](#).

## Let's return to Sam and Mo

Imagine they slowed down and began to practice patience and grace for themselves.

Maybe as she slowed down, Mo noticed that she might make assumptions about Sam's intent when he didn't comply with a task request. "You said you would, but you didn't, so you don't care about me." That assumption had been repeated and reinforced in her head for decades now, so it was easy for her to believe it. But was it true? Was this repetitive assumption re-traumatizing her?

And as Sam practiced patience for himself he noticed his pattern of shutting down to protect himself. Was he reinforcing his own financial trauma by avoiding and quitting conversations? We avoid things that hurt us. Using trauma logic that means that if he's avoiding financial conversations they must therefore be painful. What if they weren't and his own fear response was doubling down on the trauma?

Trauma of all kinds tells us lies. It's okay to be a little skeptical of those fast, sneaky lies.

## Recovering from financial trauma by building community

The first and most obvious team member you might bring on to help you through this is a trusted, experienced [trauma therapist](#).

Secondly, leveraging a trauma-informed, holistic financial coach is a great way to put new financial tools in your toolbox AND practice them in a safe place. (Full disclosure, I am a trauma-informed, holistic financial coach)

Thirdly, begin to grow a community around yourself. Financial trauma is widespread. And everyone thinks they are the only person experiencing it. You don't need to get financially "naked" with anyone, or unburden yourself to an online group, but begin looking and listening for others who are expressing similar concerns to yours, and see our community with them. Not talking about financial trauma only increases the shame around it. Building a community is a fantastic way to practice bravery (trusting yourself) while developing a supportive network around yourself. And it's a great place to begin to tell and retell your financial trauma story.

We'll talk more about how to tell your money stories in the next exercise.

## In conclusion

Patience and grace are key to overcoming financial trauma and building a healthier relationship with money. Financial trauma is incredibly common, yet isolating.

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## Unit 2: Telling your money story

The stories we tell ourselves are important. Storytelling and narratives are critical to the way our brains process, remember, and make meaning of the world. And telling those stories, even the stories of our financial traumas, begin to change those stories.

John Bowlby said "What cannot be told to the other cannot be told to the self." And trauma [research has shown](#) that understanding and telling our stories changes and integrates the trauma into ourselves.

Oh but I do feel you bristling right now. How in the world could I be asking you to share a traumatic financial experience, or how much shame you feel, or how hopeless and angry you feel? I know that doesn't feel safe. And depending on who you're talking to, it may not be safe. And what if those stories aren't really stories with a beginning, middle, and end, but just partially-formed memories.

So let's talk first about why telling our money stories is important, and then we'll talk about a way you can distill down your stories and memories into a little bundle that is easier to share.

### **Why it's important to talk about our money stories.**

-Telling our stories reduces shame and judgment.

We know instinctively that we hide things we are ashamed of, and are ashamed of things we hide. And we've been taught by our culture that money is something we don't talk about. So using the logic of shame and trauma, if we don't talk about it, it must be shameful. I could tell you all day long that money isn't something to be ashamed of, but that won't matter. We've all been deeply conditioned to keep this part of ourselves hidden... that it's something to be ashamed of.

Telling our stories shines a little bit of light in that hidden place. Less hiding means less shame. No, I'm not asking you to get financially "naked" with someone. Even a little less shame helps. Even a little more awareness and light helps.

-Telling our stories decreases isolation.

As we just talked about, we hide things we are ashamed of. And it doesn't take very much for us to feel like we're hiding EVERY part of ourselves. That isolation is deeply devastating to our mental and physical health. And if, on top of all of that, you're trying to restrict your spending by not doing anything fun or social, the isolation only doubles down. It begins to feel utterly hopeless.

-Telling our stories can change and correct the narrative.

If you choose to share your story with someone, their job is not to correct you. What often gets corrected is the underlying take-away, or like we'll talk about in the next exercise, the guiding principle of that story may change and adapt. If the guiding principle you took away was originally "I'm bad at money", you may find that as your story evolves, that guiding principle changes too.

-Telling our stories gives us repeated exposure to the memory.

Painful, confusing, and shameful memories may not seem like something we want to revisit. In fact much of the energy spent on these memories is NOT thinking about them. This can involve distracting ourselves, sleeping a lot, and even substance and alcohol abuse.

Counterintuitively, when we inoculate ourselves with those memories, we not only integrate them into ourselves, but we also prove, by that repetition, that we can survive thinking about them. This is something like exposure therapy that is used to help folks overcome phobias.

-Telling our stories organizes the narrative.

Stories and memories around or resulting from any kind of trauma are by their nature disorganized. If, in the next exercise on storytelling you find that your memories of past financial experiences are cluttered, fragmented, or disconnected, that's a pretty good indicator that there may be some trauma lurking there. By telling and retelling our stories, the narratives begin to organize themselves. That doesn't mean we will retain any more memories (especially if the experiences are from childhood), but we may be able to make more meaning out of them and then sort them by that meaning. More on meaning-making in a moment.

-End of preview-

For the full version, please go to:

<https://yourworthcoach.com/product/healing-financial-trauma-workbook-full-version/>