

Using Critical Race Theory to Solve Our Profession's Critical Race Issues

by Kathleen Boyd, CFP®

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DIVERSITY AND INCLUSION, and its importance, has been underscored countless times over the years through a wide variety of publications, professional organizations, and conference panels and speakers—and with good reason. The U.S. Census expects minorities to become majorities, projecting they will comprise 57 percent of the population by 2060.¹ Therefore, it is increasingly imperative for financial planning firms to hire and retain professionals who reflect this growing demographic.

From a client perspective, many times talking with a financial planning professional who looks like you and who can relate to you, can make someone more likely to work with a planner. It is vital that our clients have access to planners who represent diverse groups.

Firms and organizations have attempted to acknowledge and address

this problem through various diversity initiatives. Yet, we keep hearing the same questions from leaders in our profession: “Why aren’t the diversity initiatives working?” “Why are the demographics still predominantly old, white males?” “I want to hire a diverse candidate; why can’t I seem to find one?”

Discrimination does not always fit neatly into the categories of racism or sexism ... many times it's a combination of both.

The answer to these questions is: because our profession has failed to understand and apply core principles of critical race theory.

Critical race theory (CRT) is a theoretical framework researchers use to examine culture as it relates to race, law, and power.² It started in the late 1980s as a progressive movement within American law schools, but over the years it has been applied to other disciplines including politics and education. It combines the issues of power, race,

and racism to address notions of “color blindness” and “post-racial societies.”³ It argues that racism is engrained in the very fabric of American society and ignoring racial differences perpetuates institutionalized injustices to people of color. It also seeks to analyze the experiences of racial minorities while examining existing power systems like white privilege and white supremacy.

A central tenet of CRT is the concept of intersectionality—a term theorized in 1989 by Kimberlé Crenshaw, an American civil rights activist, UCLA and Columbia law professor, and leading scholar in critical race theory who specializes in race and gender issues. Crenshaw used the theory of intersectionality in an essay to describe the simultaneous experience of multiple oppressions faced by women of color.⁴

In her essay, Crenshaw used the analogy of “traffic in an intersection coming and going in all four directions.” She described discrimination as an intersection as it “may flow in one direction or another, and if an accident happens it can be caused by cars traveling in any number of directions, and sometimes all of them.” Likewise, if a woman of color is harmed because

she is in an “intersection,” her injuries could result from “sex discrimination or race discrimination or both.”

Crenshaw’s essay eloquently illustrated what the financial planning profession fails to understand—that discrimination does not always fit neatly into the categories of racism or sexism, but many times it’s a combination of both. Firms and organizations attempt to address diversity and inclusion holistically, but hierarchies of privilege and exclusions are still found within these initiatives, especially when they’re focused on gender while ignoring race.

So how can we apply CRT to our diversity and inclusion efforts?

First, by understanding that we do not live in a post-racial society. Just as racism is entrenched in society at large, so has it spilled over into the financial planning profession. Our profession has played a part in perpetuating the ever-growing racial wealth gap through asset-based fee structures that act as barriers to certain racial groups who have not had the chance to build assets due to Jim Crow laws and other racist policies.⁵ Therefore, it shouldn’t come as a surprise that firms fail to attract the people of color they inherently marginalize.

Secondly, financial planning firms must understand that true inclusion addresses both racism and sexism, among other combinations of oppression. While 23 percent of CFP® practitioners are women, CFP Board estimates that as of the end of 2017 only 1,200, or 1.5 percent of CFP® practitioners are Black; 1,500, or 1.9 percent are Latinx; and 2,800, or 3.5 percent are of Asian descent. When you look at the numbers, women of color are at a significant disadvantage compared to white women in our profession. All women are experiencing challenges breaking through barriers in financial planning; however, women of color are having an even harder time.

Third, our firms need to challenge the willingness to promote gender-only focused diversity. It’s easy to overlook race because gender issues are more palatable for some to deal with. Many planners tend to be heterosexual white men who have wives, girlfriends, sisters, daughters, and colleagues who are women, so it’s easier to empathize with their experiences in our profession. But how many of these planners have worked close enough with a woman of color to begin to understand her experiences?

Refrain from talking about your discomfort or making excuses for the status quo, and just listen. Listen in the same empathetic manner you would have for your clients.

Speaking as a queer woman of color who is subject to multiple intersections, I can tell you that when you are an “only” in the classroom, in a firm, or in a client meeting, the financial planning profession can be very lonely. Many times, you feel you have no choice but to check yourself at the door every day, constantly choose your battles, decide whether to point out something racist, or sexist, or homophobic that has just been said, or stay silent and hate yourself for not being brave enough to speak up.

This leads to the fourth thing financial planning firms can do: use your discomfort when it comes to conversations on diversity (and the lack of it) to feel empathy for the people who are marginalized and the discomfort they feel. Refrain from talking about

your discomfort or making excuses for the status quo, and just listen. Listen in the same empathetic manner you would have for your clients.

Despite the many job opportunities in financial planning, we are still not making room for everyone. Until that happens, we will continue to struggle for the change we want to see. Our current diversity initiatives are working on patching a system that is fundamentally broken. Firms and organizations are focused on making incremental change for one privileged group instead of working to dismantle systems like white privilege and white supremacy. Let’s stop setting back the cause of true diversity and inclusion, and instead use CRT to challenge the exclusion of other systems of oppression in our discourse. ■

Endnotes

1. See “U.S. Census Bureau Projections Show a Slower, Growing, Older, More Diverse Nation a Half Century from Now,” at [census.gov/newsroom/releases/archives/population/cb12-243.html](https://www.census.gov/newsroom/releases/archives/population/cb12-243.html).
2. See Lewis R. Gordon’s research in the spring 1999 issue of *APA Newsletters on Philosophy, Law, and the Black Experience* titled “Backup of a Short History of the ‘Critical’ in Critical Race Theory.”
3. See Aja Y. Martinez’s research in the November 2014 issue of *The Journal of Literary Studies* titled “Critical Race Theory: Its Origins History, and Importance to the Discourses and Rhetorics of Race.”
4. See Crenshaw’s essay, “Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics,” in Issue 1 of the 1989 *University of Chicago Legal Forum*, available at chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1052&context=ucfl.
5. See the *Forbes* article, “The Racial Wealth Gap: Addressing America’s Most Pressing Epidemic,” by Brian Thompson, J.D., CFP®, at [forbes.com/sites/brianthompson1/2018/02/18/the-racial-wealth-gap-addressing-americas-most-pressing-epidemic/#51bf9df47a48](https://www.forbes.com/sites/brianthompson1/2018/02/18/the-racial-wealth-gap-addressing-americas-most-pressing-epidemic/#51bf9df47a48).