



FINANCIAL LITERACY FOR BLACK WOMEN

Teach a Woman. Empower a Generation.

The financial services industry has spent millions of dollars in recent decades to address racialized economic inequality in the United States. Yet, the racial wealth gap persists. The question is, “why have significant efforts not lead to improved economic stability and wealth creation?” As we set out on our *Four Steps Forward* to promote upward mobility and wealth building for Black America, we have researched wealth creation for Black women as part of a focused effort on financial literacy.

We have identified voids – or missing connections between the financial services industry and the Black community, that are impeding the achievement of lasting economic empowerment and upward mobility. We have identified six voids; like two sides of the same coin, these six voids represent correlated but unique challenges for the financial services industry and Black women. Following each of the voids is an explanation of how our proposed solution will address them through workplace financial education and empowerment.

1. CULTURAL COMPETENCY | SOCIAL CAPITAL

- There is a deficit of technically proficient and culturally competent financial services professionals to address the financial literacy and social capital needs in communities of color.
- Low levels of trust/social capital in the financial services industry persist within the Black community.

We propose an innovative approach – by combining our strength in educating adults on financial concepts, and Black women’s position as key stakeholders in their homes and communities, we can address both the deficiency of qualified professionals and rely on internal social capital within communities. As we bring our core competency of financial knowledge, we hope to learn cultural competencies necessary to create a pro-community, pro-business solution. Black women, as breadwinners and financial heads of households, will also be empowered to interact with the financial products, services, and professionals that can facilitate wealth building.

2. LOW ACCESS & AWARENESS | VOLATILE ECONOMIC FOOTING

- The financial services industry is working to address a known lack of access faced by communities of color and women across banking, access to credit, and asset accumulation tools, and to increase awareness of the solutions they currently offer.
- Black women face volatile economic footing as a result of housing disparity, childcare costs, and costs associated with subprime financial institutions.

We will collaborate with national financial services institutions and leverage existing programs and initiatives aimed at bringing increased access to underserved communities. By presenting timely and relevant information in our programming, we will bring partners in with services and products that can achieve a pro-community, pro-business solution in the goal of wealth creation. For example, no-fee banking solutions, or mortgage assistance programs could be essential links to help move individual financial stability forward.

3. MEANINGFUL PARTICIPATION | FINANCIALLY VULNERABLE TO INCOME SHOCKS

- A significant barrier to effective financial education solutions is the difficulty in getting meaningful participation. It takes financial resources as well as time, energy, and effort to meaningfully engage with one's financial situation.
- Black women hold multiple financial and family responsibilities that leave them financially vulnerable to income and expense shocks.

The employer engagement allows the women to meaningfully engage and find value, without undue personal financial burden, or competition from caregiving or other responsibilities. The time and engagement are key ingredients to turn information into outcomes.

4. MISMATCHED OUTCOMES AND MEASUREMENT TOOLS | GOAL SETTING AND PLANNING

- There is often a mismatch between the desired outcomes for a financial literacy program and the measurement tools.
- A lack of clear personal financial goals and no plan on how to achieve them is a significant void for Black women.

Our individualized approach engages the employer, employees, and financial services collaborators to understand the goals and outcomes for each stakeholder group, and matches appropriate metrics to those goals. Employers may be more interested in the behaviors and wellbeing of employees over financial literacy scores. This would be measured using retirement plan engagement and financial wellbeing surveys.

5. INTEGRATION | OPPORTUNITIES TO SECURE WEALTH CREATION

- Integration of multiple best practices – automation in employee benefits, just-in-time advice, and financial wellness resources – is the best way to achieve desired outcomes.
- By taking advantage of pivotal financial opportunities (regular saving & investing, credit leveraging, matching retirement funds, homeownership, promotion opportunities) Black women can secure their wealth creation journey.

Our financial literacy education will serve as an employee benefit, and through our engagement with key collaborators within the financial services industry and the Black community, we strive to bring about lasting change that integrates sustainable best practices.

6. INNOVATION | LEGACY WEALTH

- Financial services have done substantial work to engage with cultural markets, and now is the time to innovate solutions to bridge the gaps to drive sustainable wealth creation.
- A barrier across all consumers is missing critical conversations and planning to ensure legacy wealth within families and communities.

Tangible Impact For Your Organization

We fully anticipate that our solution will prove successful due to the work already happening in the financial services industry to engage meaningfully with cultural markets. As wealth grows in the Black community, we anticipate a need to facilitate legacy wealth conversations. We will leverage our internal philanthropy and estate planning expertise to provide turnkey solutions to participants.

We will leverage internal resources within both the financial services industry and the Black community to create pro-business and pro-community solutions to improve the financial health and wealth of Black communities – which in turn expands the markets of financial services and creates sustainable generational wealth.

ABOUT THE AMERICAN COLLEGE CENTER FOR ECONOMIC EMPOWERMENT AND EQUALITY

The American College Center for Economic Empowerment and Equality is the flagship for research, thought leadership, curriculum and course development, programming, and scholarships aimed at cultivating lasting relationships between financial services and all underserved communities.

ABOUT FOUR STEPS FORWARD

An approach led by a broader coalition of financial services firms can narrow the racial wealth gap, promote professional diversity, and fortify relationships with communities of color. *Four Steps Forward* is a big, bold initiative focused on delivering pro-business, pro-community outcomes that promote upward mobility and wealth building for Black America.

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