EXCELERATE©

HISTORY OF FINANCIAL ILLITERACY

The roots of financial illiteracy in the Black community trace back to America's long history of systemic exclusion from wealth-building opportunities. For centuries, economic systems and policies intentionally barred, restricted, or marginalized Black people from the mainstream financial system. This exclusion was deliberate and embedded in laws and systems, often enforced through violence.

Here is a list of historical injustices that have disproportionately impacted Black Americans financially:

- Slavery
- Reconstruction
- Jim Crow
- Segregation
- The Homestead Act
- The GI Bill
- The Farm Bill
- 100 Massacres
- Redlining
- Institutional Violence
- The Tuskeegee Experiment
- PPP Loans

Institutional violence also affected health and business sectors. This is evident in tragedies like the Tuskegee Syphilis Experiment. In this well-documented case, Black patients were injected with syphilis for research without their knowledge or consent. Many people believe systemic discrimination no longer exists. However, during the COVID-19 pandemic, a recent example was the distribution of Paycheck Protection Program (PPP) loans. Many of these "loans" were later converted to grants. Most went to white-owned businesses. Meanwhile, Black entrepreneurs faced systemic barriers such as a lack of banking relationships, unfair loan evaluations, and administrative hurdles.

From slavery and labor theft to the inability to build generational wealth, Black Americans faced broken promises during Reconstruction. These were further shattered by Jim Crow laws and racial terror. They were consistently denied access to property ownership, education, and fair wages. Federal programs like the Homestead Act (1862), the GI Bill (1944), and Farm Bill subsidies helped create the American middle class. However, these programs primarily excluded Black community members due to local discrimination and federal neglect:

> "The Homestead Acts were unquestionably the most extensive, radical, redistributive governmental policy in US history... Indeed, the Homestead Acts excluded African Americans not in letter, but in practice—a template that the government would propagate for the next century and a half." (Aeon Ideas, 2016)

Policies like redlining, racially restrictive covenants, and segregation forced Black families into under-resourced neighborhoods and cut them off from credit, insurance, and fair housing markets. The economic damage worsened because of events like the Tulsa Race Massacre (1921) and nearly one hundred similar mass killings of wealthy Black communities between 1865 and 1945. These attacks wiped out generations of accumulated wealth.

All these inequities either excluded Black people, prohibited them, or disproportionately restricted their ability to build and pass on wealth to future generations. Without access to these resources, platforms, and opportunities, communities remain financially illiterate. Each of these policies and practices actively blocked Black people's ability to create wealth, participate in financial systems, or gain access to credit, investments, and ownership opportunities. When entire communities are denied fair access to capital, education, and markets for generations, financial literacy cannot develop. The result is not a lack of interest or motivation, but rather a predictable outcome of systemic disenfranchisement and racial discrimination.