Smith College / 10Seven
Fund Your Future Course Development
Track 1 / Module 1: Introduction

Detailed Outline

Notes before diving in:

- Key
    - [Platform experience notes]
    - [Indicates a source is needed]
    - **Black bold text is a new page/screen that students will see**
    - **Blue bold/underline text indicates a link that will need to be created**
    - **Pink bold text indicates a key definition**
    - [Internal team notes]
    - Plain black text: Rough draft of content language/text. It will be edited and expanded upon. However, what's written here will give a feel for how the story will flow.

Introduction to the Fund Your Future Course

Description

[New Page] Fund Your Future is an initiative designed to help students reimagine wealth in a way that works for them! It is accessible to and built for all students at Smith College who wish to gain new financial education knowledge or deepen their existing knowledge.

- We all have different starting points when it comes to understanding wealth and building wealth. No matter where you're at on that journey - this course is for you!

Unit 1: What is Wealth? And the History of Wealth Building in the U.S.

[Students will be able to download a PDF of all key terms and definitions]

[New Page] When interacting with the financial system, you've likely heard the word "wealth" thrown around often. We even used it multiple times in introducing you to this course!

    - "Building wealth"
    - "Generational wealth"
    - "Wealthy"
    - "Reimagining wealth"
- But why the focus on "wealth"?
- What does "wealth" actually mean?
- And what does it mean to build "wealth" and have "wealth"?

[New Page] To understand wealth, let's talk about what it means in relation to "income."

- **Income** refers to the amount of money received by an individual or household during a specific period of time, such as a month or a year. It includes earnings from a job, interest on accounts, gifts, Social Security, government assistance, pension benefits, rent, and child support. Essentially, any money that enters a person's wallet or purse is considered income (Shortchanged, Page 3).

- **Wealth (or net worth)** refers to the total value of a person's financial and nonfinancial assets minus her debts. **Financial assets** include money in accounts, bonds, stocks, mutual funds, and retirement accounts. **Nonfinancial assets** include real estate, businesses, jewelry, or artwork. Debts, such as mortgages, credit card debt, and student loans, subtract from wealth. A person can even have "negative wealth" if their debts are greater than their assets (Shortchanged, Page 3).
    - **Financial assets** (Shortchanged)
    - [Students should be able to click on or hover over the definition and have it drop down]
        - All types of transaction accounts (money market accounts, checking accounts, savings accounts, call accounts)
            - Certificates of deposit (CDs)
            - Directly held pooled investment funds, excluding money market funds (stock mutual funds, tax-free bond mutual funds, government-bond mutual funds, other bond mutual funds, combination and other mutual funds)
            - Savings bonds
            - Directly held stocks
            - Directly held bonds (excluding bond funds or savings bonds)
            - Cash value of whole life insurance
            - Other managed assets (annuities, trusts)
            - Quasi-liquid retirement accounts (individual retirement accounts/Keoghs, account-type pensions [401(k), 403(b), etc.], future pensions, currently received account-type pensions)

    - **Nonfinancial assets** (Shortchanged)
    - [Students should be able to click on or hover over the definition and have it drop down]
        - Items that have value but aren't primarily financial claims
            - Primary residence
            - Residential property other than primary residence
            - Net equity in nonresidential real estate
            - Businesses
            - Other miscellaneous financial or nonfinancial assets (such as jewelry or artwork)

[New Page] So, yes, income is important, but **wealth is a much more meaningful measure of economic well-being**.
[The statement above should be bold and in big font]

- That's because it embodies total economic resources and provides benefits like a financial cushion, generational transfer, income generation, and the ability to shape social and political agendas, which income alone does not (Shortchanged, Page 1, Page 4). Wealth is also far less equally distributed than income (Shortchanged, Page 5).

[New Page] Income can change on a dime, but wealth changes over generations.

- Our lives are shaped by the wealth—or lack of wealth—of our parents, our grandparents, and our ancestors (Color of Wealth; Shapiros, 2004; Shortchanged).

[New Page] That is why wealth is so important! And why the **"wealth gap"** exists.

- Wealth inequality is higher in the United States than in almost any other developed country and has risen for much of the past 60 years (Urban Institute).
- An estimated 80 percent of assets come from transfers from prior generations. The history of the financial situations of prior generations is a primary cause of the racial and gender wealth gap (Color of Wealth; Shapiros, 2004; Shortchanged).
    - [Insert supporting charts here that illustrate this point with data. Like chart #9 in this article]

[New Page] According to Mariko Lin Chang, a national expert on the wealth gap, especially the gender and racial dimensions of wealth inequality, there are four distinct benefits of wealth that income does not provide (Shortchanged).
[The four points below should be made into drop-downs]

- **Financial Cushion:** Wealth offers a financial buffer against income loss due to illness, divorce, job loss, or emergencies. Assets like savings, stocks, or home equity can be used as collateral or sold to meet needs (Page 4).
- **Generational Transfer:** Wealth can be passed down from one generation to the next, making it a powerful and entrenched aspect of privilege and inequality. This allows wealthy families to remain wealthy across generations (Page 4).
- **Income Generation and Independence:** Wealth can generate its own income, making its holder less dependent on working for a living. It can also provide the ability to pursue enjoyable but less lucrative endeavors, or even avoid working entirely (Page 4).
- **Shaping Social and Political Agendas:** Wealth provides opportunities to influence social and political priorities through contributions to candidates, organizations, and foundations. This also includes philanthropy, where the wealthy can facilitate social change or support the status quo (Page 4).

[New Page] This is why the Conway Center has chosen to create a financial education program to help you build wealth.

- More specifically, this program aims to help you build wealth by equipping you with knowledge of financial concepts and strategies to navigate an economic system that often hinders groups targeted by racism, sexism, heterosexism, and other forms of oppression from accumulating wealth.

[New Page] Now that you understand wealth, income, and how, overwhelmingly, having wealth is related to the wealth of prior generations in your ancestry, let's zoom out and consider - how did we even get here? Specifically, let's examine the history of wealth-building from a racial and gender lens.

- How we try to close the racial and gender wealth gap depends on how we understand where assets come from. Government policy has a lot to do with it (Color of Wealth; Reed, 2002).
- In stressing the role of government actions and inactions, we are not claiming that they are the only cause of the racial wealth divide. Ideology, culture, and economic systems are, of course, woven throughout the history of racial injustice in the United States as well. As Adolph Reed Jr. said, "The role of the state is consistently underestimated"...(Color of Wealth; Reed, 2002, p. 38)

[New Page] Diving even deeper, here is a brief history of government obstacles to asset building for the following groups: Native American, African American, Latino, Asian American, and women.

- We chose to divide the incredibly diverse population of the United States into these ethnic groups because they are the largest groups to share a common history of racialization and to face common treatment by the United States government; the same is true for women but from a gender lens, however when taking gender and race together, we can imagine how that further compounds wealth inequality.
- [We'd like to add a brief history for queer/TNGC folx, but that would need to come later]

[New Page] "Government racism has not been uniformly applied to all groups of color, but has been manifested through different mechanisms for different ethnic groups over the centuries. Native Americans were displaced from their land by force and then faced constantly changing conceptions of their status dreamed up in Washington, D.C. African Americans were enslaved and then kept at the bottom of the economy by legal segregation and violence. The conquest of Spanish-speaking countries, justified by the Monroe Doctrine, turned Latinos into colonial subjects, both in their formerly independent lands and in the rest of the United States. Asian Americans have been treated as perpetual foreigners no matter how long they've been in the United States" (Color of Wealth, p. 18).
[This quote should take up most of the page, followed by four buttons that allow students to access the detailed wealth-building history of the groups mentioned.]

- Use the following buttons to learn more about the history of wealth-building for the following groups.

[New Page] [Button]: Native Americans

- [Once students click on the button, they will be able to access a long-form, report-style history of this particular group's wealth-building history. There should also be an option for the student to download the history as a PDF.]

The history of Native American wealth in the United States is primarily characterized by government control, mismanagement, and appropriation of their assets, leading to widespread poverty despite significant land and resource holdings.

Historically, the wealth of Native Americans, including land, natural resources, and income generated from them, has been "held in trust" by the federal government through the Bureau of Indian Affairs. This trustee-beneficiary relationship, defined by the "doctrine of trust responsibility," has often resulted in the mismanagement of resources and the deprivation of revenue for tribes. For instance, the federal government controls how land is leased, how much money is earned from resources like oil and gas, and how that money is distributed. These actions have been the basis for significant lawsuits, including a $137 billion claim against the U.S. Department of the Interior for mismanagement and stolen funds.

Government policies have consistently aimed to control Native assets and assimilate Native Americans into mainstream white society. This includes forcing them to sell tribal land, adopt Western farming techniques, and sending children to assimilation schools. Over 90 million acres of Indian territories were lost through land sales, homesteading, and theft, along with valuable natural resources. Tribal termination policies in the 1950s further removed over 1.3 million acres from Indian control.

Despite owning a vast land base (over 54 million acres in the lower 48 states, plus 42 million acres of Alaska Native lands, containing significant U.S. oil, gas, coal, and uranium reserves), Native Americans today have the highest poverty rate in the nation (25.7%). They also suffer from low education levels and high chronic disease rates, with official unemployment on reservations near 22%. Asset ownership and income from interest, dividends, or rents are significantly lower compared to those of white Americans.

Federal policies, from early 1800s relocations to 1950s "termination" of tribes, have systematically removed wealth from Native populations. Even when the Reagan administration in the 1980s encouraged tribes to pursue revenue-generating activities like gaming, states sought to impose taxes, and the special tax status of tribes continues to be eroded through court cases requiring compacts with states.

To address this disparity, it is argued that Native Americans should become legal beneficiaries of their own assets, rather than wards of the government, and the Department of the Interior should be held to the same standards as the Securities and Exchange Commission in protecting and maximizing the benefit to beneficiaries.

Here's a list of policies that led to Native American land loss, with approximate dates:

- **Early 1800s:** Relocation policies (e.g., the forced removal of the Cherokee, Chickasaw, and Choctaw tribes from their agricultural lands in Georgia and other southern territories).
- **Early 1900s:** Sale of land on the Osage reservation to non-Indians for oil access.
- **1950s:** Tribal termination policies (e.g., decertification of Klamath tribes in Oregon), which removed at least 1.3 million acres from Indian control.
- **Throughout history:** Government policies systematically removed wealth from Native populations through land sales, homesteading, and theft, resulting in the loss of over 90 million acres of Indian territories.
- **Ongoing (since 1980s):** Erosion of the special tax status of tribes through court cases requiring compacts with states, impacting revenue from enterprises like gaming.

Sources:

Lui, M., Robles, B. J., Leondar-Wright, B., Brewer, R. M., & Adamson, R. (Eds.). (2006). The color of wealth: The story behind the U.S. racial wealth divide. New Press.

Taylor and Kalt, 2005

US Census Bureau, “American Indian- and Alaskan Native Owned Businesses", 1997

Worcester v. Georgia 31 U.S 515, 516 (1832)

Pevar, 2002

Takaki, R. T. (2023). A different mirror: A history of multicultural America (Revised edition with new foreword). Back Bay Books / Little, Brown, and Company.

[New Page] [Button]: Black/African American

- [Once students click on the button, they will be able to access a long-form, report-style history of this particular group's wealth-building history. There should also be an option for the student to download the history as a PDF.]

The history of Black wealth in the United States is primarily characterized by systemic oppression, violence, and discriminatory government policies that have consistently prevented wealth accumulation and perpetuated a significant racial wealth gap.

Initially, enslaved African Americans were themselves considered property, serving as the "initial start-up capital" for American capitalism, and were bought and sold to enrich elites. Even after emancipation, government policies consistently worked to uplift white status while excluding African Americans.

Following the Civil War, land ownership was a primary desire for African Americans, but this was largely denied. By the Great Depression, 90% of African Americans lived in the South, with only 10% owning land, while half were sharecroppers. The Great Migration (1900-1930s) saw over 1.5 million Black people move north and west, becoming largely urban.

Despite economic segregation, a period known as the "Golden Years of Black Capitalism" (1919-1929) saw a rise in Black-owned businesses and institutions within their segregated communities. However, these businesses were vulnerable and largely excluded from the white market, leading many to fail during the Great Depression.

New Deal programs in the 1930s, while creating a general welfare state, were marked by racism. Many African Americans were excluded from key benefits like Social Security and unemployment insurance, particularly domestic and agricultural workers who constituted a large portion of the Black workforce. Programs like Aid to Dependent Children (ADC) became stigmatized and had "morals tests" disproportionately affecting Black women. Labor unions, gaining legitimacy during this period, often excluded Black workers.

Federal housing programs, including those from the New Deal (like HOLC and FHA), actively promoted white homeownership and Black tenancy through practices like "redlining." This systematically denied Black families mortgages and led to lower property values in Black neighborhoods, costing them billions in assets. Less than 1% of all mortgages went to African Americans between 1930 and 1960. Even the GI Bill (1944), a massive public benefits program, was difficult for Black veterans to utilize for homeownership due to discrimination from lenders and sellers.

While the Civil Rights Movement brought about significant economic gains for Black Americans through policies like the 1964 Civil Rights Act and affirmative action (which boosted employment and education), these gains were relative to a deep economic hole and did not close the wealth gap. Affirmative action's effectiveness as an employment tool largely ended by 1989. The Reagan administration in the 1980s cut antipoverty programs, disproportionately affecting communities of color, and slowed public sector employment, which had been a source of opportunity for people of color.

By 1984, only 40% of African Americans owned homes compared to 70% of whites, and their homes were worth significantly less. Incarceration has also become a significant obstacle to family asset accumulation, due to lost earnings and the difficulty in finding employment. Despite some African Americans accumulating wealth, disparities between the wealthiest and poorest Black individuals are greater than within any other race. The highest-earning African Americans hold significantly less wealth than the highest-earning whites. Overall, racial and class inequality continue to manifest in limited job opportunities, low wages, poverty, and a lack of assets for the majority of African Americans.

Here's a list of specific policies and historical factors that contributed to Black wealth inequality:

- **Slavery (pre-1865):** The fundamental institution where African Americans were treated as property, generating wealth for others while being denied any personal wealth accumulation. The "three-fifths compromise" also institutionalized this status in the Constitution.
- **Exclusion from New Deal Programs (1930s):**
    - **National Labor Relations Act of 1935:** Excluded agricultural and domestic workers, a large percentage of the Black workforce, from benefits like Social Security and unemployment insurance.
    - **Aid to Dependent Children (ADC) "morals tests":** Disproportionately affected Black women and single mothers, often leading to termination from the program for having men in the household or unmarried births.
    - **Labor Unions:** Many unions, legitimized by New Deal legislation, were white-only and actively worked to exclude Black workers, particularly by banning "open shops" and preventing Black workers from joining.
- **Federal Housing Policies (1930s-1960s):**
    - **Home Owners' Loan Corporation (HOLC) and Federal Housing Administration (FHA) "Redlining":** Systematically rated Black neighborhoods as "red" (undesirable) on appraisal maps, making it nearly impossible for Black families to get government-insured mortgages. This led to lower property values in Black neighborhoods, effectively denying them homeownership and wealth accumulation.
    - **GI Bill (1944):** While a broad benefits program, Black veterans faced significant discrimination from lenders and sellers, making it challenging for them to access low-interest mortgages for homeownership, unlike their white counterparts. Less than 1% of all mortgages between 1930 and 1960 went to African Americans.
    - **Segregated Public Housing:** Public housing was intentionally built in segregated neighborhoods, and tenant selection was based on race.
    - **Municipal Ordinances (in some Northern suburbs):** Prohibited Black people from living within city limits or even staying after sundown.
- **Weak Enforcement of Civil Rights Laws (post-1960s):** Despite the 1964 Civil Rights Act banning discrimination in federally financed housing, the law covered a small percentage of housing, and enforcement was "erratic" and "weakened nearly to the point of uselessness by the 1990s."
- **End of Affirmative Action as an Employment Tool (1989):** A Supreme Court ruling shifted the burden of proof to the plaintiff (Black individuals or groups) to prove discrimination, making it harder to challenge discriminatory employment practices.
- **Reagan Administration Antipoverty Program Cuts (1980s):** Disproportionately affected communities of color, as six of the ten federal programs most severely cut in 1985 had more than 45% beneficiaries of color.
- **Slowdown in Public Sector Employment (Reagan era):** Reduced job opportunities for people of color who were often shut out of private-sector employment due to discrimination.

There are many ongoing discriminatory practices that we continue to see today:

- **Mortgage Market Discrimination:** Black people are significantly less likely to be homeowners than whites due to a documented history of discrimination, limiting their access to the savings and tax benefits of homeownership.
- **Residential Segregation:** Contributes to homes in majority-Black neighborhoods being appraised at lower values than near-identical homes in majority-white neighborhoods.
- **Labor Market Discrimination and Segregation:** Forces Black individuals into fewer and less advantageous employment opportunities.
- **Tax Code Disparities:** Families with higher incomes receive increased tax incentives for housing and retirement savings. Since African Americans tend to have lower incomes, they receive fewer tax benefits even if they own homes or have retirement accounts.
- **Mass Incarceration:** Acts as a major obstacle to family asset accumulation due to lost earnings and difficulty finding employment after release.
- **Intergenerational Transfers:** Since Black households hold less wealth, there are fewer assets to pass down to family members, compounding the racial wealth gap across generations.

These policies and historical factors have created systemic barriers that have prevented Black Americans from accumulating wealth at the same rate as white Americans, leading to the persistent racial wealth gap seen today.

Sources:

Takaki, R. T. (2023). *A different mirror: A history of multicultural America* (Revised edition with new foreword). Back Bay Books / Little, Brown, and Company.

Lui, M., Robles, B. J., Leondar-Wright, B., Brewer, R. M., & Adamson, R. (Eds.). (2006). *The color of wealth: The story behind the U.S. racial wealth divide*. New Press.

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[New Page] [Button]: LatinX

- [Once students click on the button, they will be able to access a long-form, report-style history of this particular group's wealth-building history. There should also be an option for the student to download the history as a PDF.]

The history of Latino wealth in the United States is characterized by significant obstacles to asset accumulation, stemming from government policies, historical conquests, and ongoing systemic issues, leading to their wealth lagging behind that of the non-Latino white population.

The concept of "wealth" for Latinos often emphasizes tangible assets, such as homes, rental properties, and business interests, rather than financial assets, partly due to intergenerational memories of financial volatility in their countries of origin. A key factor contributing to the lagging net worth of Latino communities is the lack of homeownership and the corresponding absence of home equity. U.S. homeownership policies, which require stable and significant income, have effectively excluded many working-poor and low-income Latino families from securing this essential element of the American Dream.

Government policies have played a central role in shaping Latino wealth, influenced by concepts such as Manifest Destiny and the Monroe Doctrine, which justified U.S. economic and political dominance in the Western Hemisphere and contributed to conditions that encouraged northward migration in search of economic opportunity.

Key historical policies and events impacting Latino wealth include:

- **Exclusion from Social Security (1933):** The Social Security Act of 1933 disallowed coverage for farmworkers, laborers, housemaids, and other service sector workers. A large number of Latino workers were in these occupations, meaning a majority were not covered, impacting their retirement security.

- **Land Loss following the U.S.-Mexican War (1845-1848) and Treaty of Guadalupe Hidalgo (1848):** After Mexico ceded half of its landmass to the U.S., the Treaty of Guadalupe Hidalgo was supposed to protect Mexican land grants. However, Article X, which guaranteed "protection of all prior and pending titles to properties of every description," was omitted when the U.S. Congress ratified the treaty. This led to a massive transfer of land from Mexican Americans to Anglo-Americans, with historians estimating 80% of Mexican land grants going to Anglo-Americans. Racial categories were used to determine land rights, with political and land rights primarily granted to those categorized as white, while mestizos, Indians, and African Mexicans had fewer or no rights. By 1860, only 29% of Mexican households in the new states and territories owned land, down from over 60% in 1850.
- **Mexican Revolution and Land Sales (1910-1920s):** During and after the Mexican Revolution, many Mexican families were coerced into selling land titles at gunpoint in Texas as white settlers acquired land.
- **Mass Deportations (1929-1935):** Economic pressure during the Great Depression led to massive deportations of Mexicans and exportations of Mexican Americans (who were legal U.S. citizens), and their families.
- **Segregation in Public Schools (1940s):** Widespread segregation of Latino students occurred in public schools in the southwestern United States.
- **Bracero Program (WWII and beyond):** This "temporary" worker program brought Mexican farmworkers to the U.S., often without minimum wage coverage or health and retirement benefits, which limited their long-term economic well-being.
- **Operation Wetback (1954):** This Immigration and Naturalization Service (INS) operation led to the stopping of "Mexican-looking individuals" and the deportation of many families, including those with native-born children.
- **Puerto Rican Colonialism and Economic Exploitation (late 1800s-present):**
  - **Foraker Act (1900):** Opened Puerto Rico to U.S. economic domination, resulting in a massive transfer of assets from Puerto Rican hands to American industrial and financial capitalists, who by 1930 had monopolized significant portions of key industries.
  - **Jones Act (1917):** Granted Puerto Ricans U.S. citizenship but denied them the right to participate in U.S. presidential elections.
  - **Economic Structuring:** The U.S. shaped Puerto Rico into a one-crop, export-producing economy, benefiting owners while pushing Puerto Ricans into poverty.
  - **Operation Bootstrap (post-1952):** Designed to attract foreign investment through tax exemptions, it increased Puerto Rico's dependence on the U.S., created unfair competition for native businesses, and siphoned off profits to the mainland, resulting in little economic benefit for the island. This also led to a mass migration of displaced agricultural workers to U.S. cities, often into low-skill, low-paying jobs.
- **Interventions in Central and South America (e.g., Nicaragua 1912-1933, Dominican Republic 1905-1910, 1965):** U.S. economic and political dominance in these regions often delayed economic development and impeded natural resource sovereignty, creating conditions for a continuing flow of Latino immigrants seeking economic opportunity in the U.S.
- **Immigration Policies:** Various laws and initiatives have restricted immigration and denied immigrants access to public assistance programs.
  - **Naturalization Act of 1906:** Required basic English for citizenship.

    - **Immigration Act of 1917:** Excluded "illiterates" and others.
    - **1965 Immigration and Naturalization Act:** Set yearly limits on immigration from Western Hemisphere countries, later amended to country-by-country limits.
    - **Immigration Reform and Control Act (1986):** Although it included an amnesty provision, it also significantly contributed to the overall regulatory environment.
    - **Proposition 187 (California, 1994):** Denied social services, healthcare, and education to undocumented immigrants.
    - **Personal Responsibility and Work Opportunity Act (1996):** Denied legal immigrants access to various public assistance programs for their first five years of residency.
    - **Border Initiatives (late 20th century):** Operations such as "Hold the Line" and "Gatekeeper" increased federal resources for border enforcement, affecting immigrant communities.
- **Reagan Era Cuts (1980s):** Antipoverty programs were cut, and social service budgets were slashed, disproportionately affecting Latino families and increasing poverty rates.
- **Exclusion from Mainstream Financial and Housing Systems:**
    - **Housing Policies:** Lack of mortgage products that consider extended family income, and restrictive underwriting criteria for credit scoring, coupled with continued "redlining" in Latino communities, have hindered homeownership.
    - **Government Data Collection:** Focuses on individual income and earnings, overlooking communal pooling of resources common in working-poor Latino families. Asset eligibility rules for social services and tax credits often don't account for these communal asset-building strategies.
- **Labor Market Issues:** Laws barring Spanish on the job, decisions like *Hoffman Plastic Compounds, Inc. v. National Labor Relations Board* (2002), which limited rights for undocumented workers, and low state minimum wages disproportionately affect Latino workers.

While some policies, like affirmative action in the late 1960s and 1970s, did increase Latino student enrollment in universities and colleges, the legacy of inaccessibility persists. The unique exception of Cuban Americans, who received "immigrant-friendly" policies with low-interest loans and extensive social assistance due to their flight from a "communist-declared" regime, highlights how government policy can effectively mitigate economic losses for immigrant groups, but this has not been extended to other Latino communities.

Sources:

Lui, M., Robles, B. J., Leondar-Wright, B., Brewer, R. M., & Adamson, R. (Eds.). (2006). *The color of wealth: The story behind the U.S. racial wealth divide*. New Press.

Takaki, R. T. (2023). *A different mirror: A history of multicultural America* (Revised edition with new foreword). Back Bay Books / Little, Brown, and Company.

Ortiz, P. (2018). *An African American and Latinx history of the United States*. Beacon Press.

[New Page] **[Button]: Asian**

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The history of Asian American wealth in the United States is marked by a complex interplay of systemic exclusion, discriminatory policies, and the eventual, though often uneven, economic progress of various Asian ethnic groups. Despite later economic successes, Asian Americans were historically racialized as "foreigners" and faced significant barriers to wealth accumulation.

Early Period (mid-1800s to eve of WWII): Exclusion and Obstacles

- **Denial of Citizenship (1790 Naturalization Law):** The 1790 Naturalization Law explicitly limited citizenship to "free white persons," effectively barring Asians from becoming citizens. This foundational policy prevented Asian immigrants from accessing wealth-building opportunities available to white immigrants, who were considered future citizens.
- **Discriminatory State and Local Laws:** Numerous state and local laws were enacted to prevent Asian Americans from sustaining asset building. These included:
    - **Asian-only taxes.**
    - **Laws restricting Asians from owning land.** These policies directly hindered the ability of Asian immigrants to acquire real estate, a primary form of wealth accumulation.
- **Restrictive Immigration Policies:** The classification of Asians as ineligible for citizenship contributed to immigration laws that severely limited their entry into the U.S. This not only stymied population growth but also curbed their political power and collective wealth-building potential. Laws often prohibited Asian men from bringing their wives and children, and re-entry after visiting their homelands was difficult, leading to money being sent abroad to support families left behind.
- **Economic Niches within Segregation:** Despite marginalization, Asian communities developed self-sufficient ethnic enclaves with their own businesses and services. Some Asians also carved out specific niches, such as Chinese laundries or Japanese nurseries, which whites did not or could not fill.

Transitional Period (1941-1965): Shifting Policies and Paradoxical Experiences

- **Granting of Citizenship Rights:** Due to changing global politics and WWII alliances, most Asians living in the U.S. were eventually granted the right to become citizens in the late 1940s and early 1950s. This offered a measure of hope for equal participation in American society.
- **Japanese American Internment (WWII):** This remains a shameful chapter, where Japanese Americans, many of them U.S. citizens, were forcibly relocated to internment camps. This resulted in significant economic and social losses for many, despite overall progress for Asians during this era.
- **Continued Small Population:** Even with policy changes, immigration quotas kept the Asian population in the U.S. relatively small.
- **Emergence of "Asian Americans":** The first significant number of American-born and -educated Asians came of age in the 1960s, leading to the formation of a conscious pan-Asian group, "Asian Americans," who joined the Civil Rights and racial justice movements to push for full racial equality.

Post-1965: Economic Advancement and Persistent Disparities

- **Shifting Economic Status:** Since 1965, Asians have, on average, moved closer to whites in terms of economic status compared to other racial groups.
- **Continued "Foreigner" Perception:** Despite economic advancements, Asian Americans continue to be perceived as "foreign outsiders" lacking the rights of "true Americans," with subordination centered on citizenship rather than just color.
- **Diversity within the "Asian" category:** It is crucial to recognize the vast differences among various Asian nationalities in terms of their arrival times, cultures, relationships with their home countries' governments, and the economic class of immigrants from each country. This diversity means that wealth accumulation is not uniform across all Asian groups.

In essence, the history of Asian American wealth is a story of overcoming significant government-imposed barriers to achieve economic progress, while still contending with the legacy of being viewed as perpetual foreigners and facing diverse economic realities across different Asian ethnic groups.

Sources:

Lui, M., Robles, B. J., Leondar-Wright, B., Brewer, R. M., & Adamson, R. (Eds.). (2006). *The color of wealth: The story behind the U.S. racial wealth divide*. New Press.

Takaki, R. T. (2023). *A different mirror: A history of multicultural America* (Revised edition with new foreword). Back Bay Books / Little, Brown, and Company.

[New Page] Now that we've examined the history of wealth from a racial lens, let's examine it from a gender lens.

[New Page] **[Button]: Women**

- [Once students click on the button, they will be able to access a long-form, report-style history of this particular group's wealth-building history. There should also be an option for the student to download the history as a PDF.]

According to Mariko Lin Chang, even if the gender income gap were eliminated, a woman's wealth gap would persist due to two main reasons:

- **Men have greater access to the "wealth escalator,"** which translates income into wealth at a faster rate (Page 1). This "wealth escalator" consists of legal, institutional, and societal mechanisms like fringe benefits (pensions, stock options, etc.), favorable tax codes (capital gains, deductions), and the structure of government benefits that disproportionately benefit men due to the types of jobs women tend to hold and their less continuous full-time work (Page 38, Page 40, Page 51, Page 57).
- **Women are more likely to shoulder the financial burden of parenthood,** which leaves them with less disposable income to generate wealth even if they had the same incomes as men (Page 1). They are also more likely to be impeded by the "debt anchor,"

which refers to destructive debt, higher interest rates, and predatory lending practices that prevent them from accessing wealth-building mechanisms (Page 38, Page 57).

The "wealth escalator" is a term coined by Mariko Lin Chang to describe a combination of legal, institutional, and societal mechanisms that enable certain individuals to convert their income into wealth at a significantly faster rate than through savings alone (Page 38, Page 40). It's essentially a system of financial benefits that accelerate wealth accumulation.

The key components of the wealth escalator, as explained in the text, include:

- **Fringe Benefits:** These are forms of compensation employees receive in addition to their regular pay. They can directly build wealth (e.g., employer pensions, stock options, profit-sharing plans) or indirectly help by covering expenses (e.g., health insurance, paid sick days, vacation days), leaving more disposable income for saving and investing (Page 40, Page 41, Page 43, Page 46).
- **Favorable Tax Codes:** The tax system often provides preferential, lower tax rates on certain forms of income and wealth, such as capital gains. Many fringe benefits are also tax-exempt or result in tax savings (e.g., retirement plan contributions, flexible spending plans). These tax advantages disproportionately benefit those, primarily men, who have the types of assets or benefits that qualify (Page 40, Page 47, Page 48).
- **Structure of Government Benefits:** Some government benefits, particularly the "top-tier" ones like Social Security and unemployment insurance, are tied to employment and income in ways that make them harder for women to "earn" due to lower earnings and less continuous labor force participation. These benefits can significantly contribute to wealth building (Page 40, Page 49, Page 50).

These mechanisms often reinforce each other, and even accessing just one component can significantly boost a person's wealth (Page 40). The wealth escalator is often "nearly invisible" because people don't typically share the details of their financial lives, and how wealth is acquired is generally a mysterious process (Page 40, Page 51).

Government benefits contribute to the wealth escalator primarily through a **two-tiered system** that financially incentivizes certain individuals or behaviors, allowing them to build wealth at an accelerated rate (Page 40, Page 49).

However, these benefits disadvantage women in several key ways:

- **Difficulty "Earning" Top-Tier Benefits:** The "top tier" of government benefits, such as Social Security and unemployment insurance, is designed in a way that makes it more difficult for women to "earn" them. These benefits are often tied to employment, income, and continuous full-time work, areas where women historically and currently face disadvantages (Page 40, Page 49).
  - **Unemployment Insurance:** Low-wage and part-time workers, who are disproportionately women, are often ineligible for unemployment benefits due to minimum earnings thresholds or their part-time status. Even when eligible, women generally receive less due to their lower earnings (Page 49). Furthermore, unemployment insurance doesn't cover job losses stemming from family crises (e.g., child disability, lack of childcare, domestic violence), which disproportionately affect women (Page 49).
  - **Social Security:** Social Security benefits are computed based on a worker's highest 35 years of taxable earnings. Because women generally have lower

earnings and are more likely to leave the labor force for caregiving, their Social Security benefits are lower, and years without taxable earnings are calculated as zeros, further reducing their benefits (Page 50, Page 51).

- **"Trap" of Bottom-Tier Benefits:** The "bottom tier" of government benefits, or needs-tested programs like Temporary Assistance to Needy Families (TANF), often function more as a "trap" than a safety net (Page 49).
    - **Disincentive for Asset Accumulation:** These programs tend to discourage asset accumulation. People lose benefits if they manage to save money or own assets, such as a car, whose value surpasses a certain limit (Page 49). For example, many states disqualify individuals from benefits if their vehicle is worth over $5,000, despite a reliable vehicle being crucial for employment (Page 49).
    - **Draining of Savings:** Strict limits on countable assets often require recipients to drain any existing retirement savings or other assets to qualify for temporary assistance (Page 49). This forces women to surrender any future financial security they may have built, hindering their ability to return to economic self-sufficiency and effectively cutting them off from the wealth escalator (Page 49, Page 50).
    - **Hardship for Single Mothers:** These rules are particularly hard on single mothers who often support multiple dependents on a single salary, making their financial recovery arduous and further limiting their access to the wealth escalator (Page 50).

In essence, while government benefits can contribute to the wealth escalator for some, their structure and eligibility requirements systematically put them beyond the reach of many women, effectively transforming a potential wealth-building mechanism into a source of disadvantage and a barrier to financial stability (Page 51).

Fringe benefits contribute to the wealth escalator in several specific ways, both directly and indirectly, by either building wealth directly or by freeing up disposable income that can then be saved and invested:

- **Direct Wealth Building through Retirement Programs:**
    - **Employer Pensions:** These directly build wealth for employees (Page 40). The book highlights that women are often at a disadvantage here due to lower earnings, fewer years of labor force participation, and restricted access if they work part-time or in jobs/industries that don't offer pensions (Page 42). Men, having greater access, accumulate more wealth through these.
    - **Stock Options and Profit-Sharing Plans:** These are described as "lucrative fringe benefits" that "put wealth directly in the hands of those lucky enough to receive them." Men are more likely to receive these than women, leading to substantial cumulative effects on their wealth (Page 40, Page 43).
    - **Employer-Matched Contributions (e.g., 401(k)):** When an employer matches a worker's 401(k) contributions, this money is not taxed as ordinary income until retirement, when the individual is likely in a lower tax bracket (Page 47). This tax deferral and employer contribution significantly boost wealth.
- **Indirect Wealth Building by Defraying Expenses and Increasing Disposable Income:**
    - **Employer-Sponsored Health Insurance:** This benefit is "indirectly linked with the wealth escalator" because it makes income go further by providing a service (health insurance) that an individual would otherwise have to pay for (Page 46). Employer-sponsored health insurance typically costs much less than privately

obtained insurance. Women's lower access to this benefit means they pay more or go without, putting them at greater financial risk and reducing their disposable income for savings (Page 46).
    - **Paid Sick Days and Vacation Days:** These prevent income loss when an employee is unable to work, allowing them to maintain their earnings and, consequently, their ability to save and invest (Page 40, Page 46).
    - **Flexible Spending Plans:** These plans enable employees to set aside pre-tax money from their paychecks to cover dependent care or healthcare expenses. This effectively lowers their taxable income and reduces Social Security and Medicare taxes, leaving them with more disposable income to save or invest (Page 47).
    - **Life Insurance:** Similar to health insurance, employer-provided life insurance covers a cost that would otherwise come out of an individual's after-tax income (Page 46).
    - **Tuition Matching Grants:** While not explicitly detailed as a primary example, the text mentions "tuition matching grants" as another way fringe benefits indirectly help build wealth by reducing expenses (Page 40).

In summary, fringe benefits act as a crucial component of the wealth escalator by directly adding to assets (like pensions and stock options) or by reducing necessary expenses and tax burdens, which in turn leaves more of an individual's income available for saving and investment, thus accelerating wealth accumulation (Page 40, Page 41).

The tax code disadvantages women in building wealth in several ways by interacting with and magnifying existing gender disparities:

- **Preferential Treatment of Certain Assets and Incomes:** The tax code provides preferential lower tax rates on specific forms of income and wealth, such as capital gains (Page 47). These lower rates disproportionately benefit men because they are more likely to possess the types of assets that qualify for such treatment (Page 47). For instance, men are more likely to receive stock options as fringe benefits, and if these options are held for a year or longer, the profits can be classified as long-term capital gains and taxed at a lower rate (Page 47).
- **Interaction with Fringe Benefits:** The tax code often works in conjunction with fringe benefits, as many of these benefits are not taxed or result in significant tax savings (Page 47). Since men are more likely to receive these wealth-building fringe benefits, the tax advantages associated with them further magnify the initial imbalance in wealth accumulation (Page 47).
    - **Tax-Advantaged Retirement Benefits:** Employer-sponsored retirement benefits (like 401(k) and 403(b) plans) are not taxed as ordinary income until retirement, often when the individual is in a lower tax bracket (Page 47). Employer matching contributions also benefit from this tax deferral. Historically, and even currently, working spouses (disproportionately men) have had higher contribution limits to tax-advantaged retirement plans compared to nonworking spouses, further limiting women's ability to save pre-tax (Page 47).
- **Home Mortgage Deduction:** The home mortgage interest deduction disproportionately benefits male homeowners (Page 48). This is because men generally own houses that are worth more money and have higher mortgages (Page 48). Since the value of the deduction increases with the taxpayer's income bracket, and men are more likely to be in higher tax brackets due to higher earnings, they receive larger tax breaks while building greater home equity (Page 48).

- **Government Subsidization of Men's Wealth:** The book argues that, given how the tax code is structured, the government effectively spends more money subsidizing men's wealth than women's (Page 49). This is because men receive greater benefits from the "hidden welfare state" through these tax advantages, while women are more likely to rely on means-tested welfare programs that often discourage asset accumulation (Page 49).

The "debt anchor" is a concept coined by Mariko Lin Chang to describe mechanisms that prevent aspiring savers from building wealth, acting as a significant impediment to accessing the "wealth escalator" (Page 38, Page 57).

It primarily affects women in the following ways:

- **Higher Interest Rates and Predatory Lending:** Women are particularly susceptible to the debt anchor because they are likely to face higher interest rates on their debts and are more prone to becoming victims of predatory lending practices (Page 38, Page 57).
- **Destructive Forms of Debt:** Women are more likely to carry credit card debt and consumer debt, which the book identifies as the "two most destructive forms of debt" (Page 38). This suggests these types of debt are especially harmful to wealth accumulation.
- **Compensation for Lower Incomes:** Women tend to use credit to compensate for their lower incomes and a greater vulnerability to financial crises (Page 57). This can lead to a cycle of debt that makes it harder to save and invest.
- **Double Disadvantage:** The debt anchor, combined with women's restricted access to the wealth escalator, creates a "double disadvantage." They are not only less likely to have wealth-building opportunities but are also weighed down by heavy debt, making it difficult to convert income into wealth efficiently (Page 38, Page 57). The analogy used is that women are "climbing the stairs while loaded down with a heavy debt anchor" (Page 57).

[New Page] We've just gone through what wealth is, why it's important, and how it is largely driven by not only what has happened to previous generations in your family but also by government policy – specifically government action and inaction.

- Let's pause for a moment and let all the information you just went through have a moment to sink in.

[New Page] When we think about the financial side of wealth, specifically why wealth inequality is so vast in America, it can feel unfair and maybe even angering.

- Even more than that, learning about the history of wealth building across different groups may also be discouraging because many of the policies we examined still exist today!

[New Page] First, we want to acknowledge that whatever you're feeling is ok and welcome!

- Knowing the history of wealth building across different racial and gender groups and how the legacy of the past is still present today can make the prospect of building wealth feel like a truly insurmountable task, especially if previous generations in your family have historically been excluded from accumulating it.
- And this is a completely valid thought to have. As the data shows, 80% of wealth comes from generational transfer.
- **However, despite all this, through this course, we aim to offer you a completely different perspective on and approach to wealth. One that is more expansive and gives you options and agency to navigate your financial life in a way that works for you.**

[New Page] What makes our method unique, and this course unique, is that we view and approach wealth from two different dimensions: **economic** and **extra economic**.

- [Show "wealth" in the middle in a circle and "economic" and "extra economic" in two different shapes on either side of the circle with lines connecting back to "wealth"]

[New Page] Let's first cover what the **economic dimension** of wealth entails.

- This encompasses everything covered earlier in the module.Think:
- [Students should be able to hover or click on the term, and the definition should drop down or pop out.]
- **Net worth**
    - Refers to the total value of a person's financial and nonfinancial assets minus her debts (Page 3).
- **Assets**
    - What you own. Remember, financial assets include money in accounts, bonds, stocks, mutual funds, and retirement accounts. Nonfinancial assets include real estate, businesses, jewelry, or artwork. Debts, such as mortgages, credit card debt, and student loans, subtract from wealth. A person can even have "negative wealth" if their debts are greater than their assets (Page 3).
- **Liabilities**
    - Any money you owe counts as a liability. Think outstanding student loans, credit card bills, and mortgage payments (Source).
- If you think about it, it makes sense that a lot of people spend time trying to teach you how to build wealth from an economic lens! Most of this education focuses on things like building your income, acquiring assets, managing debt, etc.
- And there is nothing wrong with this! However, it only focuses on one dimension of wealth.

[New Page] There is so much more to learn beyond just financial concepts or the economic dimension of wealth! A core aspect of learning about wealth and being equipped to build wealth is understanding the extra economic dimension of wealth. What does this entail?

- We think about this as being equipped to navigate participating in the economy
- Specifically, understanding that the financial and economic systems that exist can create experiences and circumstances that cause a huge emotional burden. So, our goal is to equip you with the financial knowledge, tools, and context to navigate your financial experiences now and in the future.

[New Page] This course will teach you about wealth building from both dimensions.

- [Bring back the graphic that will be used to introduce economic and extra economic dimensions of wealth]
- Defining wealth in this way hopefully makes it feel more attainable.
- Our research shows that focusing on the extra economic dimensions of wealth (e.g., helping people navigate and participate in the economy despite barriers and emotional impact) can increase people's wealth-building capability. Let's dive in.

Unit 2: A Radical Approach to Defining Wealth

[Our intention is to use the text in this unit as a script in a series of recorded videos. Chloe will record herself walking through this content, and we will use photos, graphics, and other visual aids throughout. We've indicated how many videos we intend to create.]

[Video 1: A New Definition of Wealth]

In culture and media today, we are exposed to narratives and depictions of wealth that equate it with quantifiable, material possessions. Think big houses, fancy cars, yachts, private planes…we are inundated with these images as markers of wealth and success.
[Show photos from movies with these flashy images and depictions]

- This definition or portrayal of wealth equates it with money, things, and a person's objective worth, which can feel so limiting and make wealth feel completely unattainable!
- It also suggests that our inherent worth and our net worth - how much wealth we have - are the same thing when, in fact, they are not.

When wealth feels perpetually unattainable, it contributes to a cycle of shame many of us feel caught in. We will discuss financial shame in more detail later, but it is important to note that shame is pervasive and central to many people's financial experiences.

So, we're here to offer you an alternative definition of wealth: **A FUNDED VISION OF THE LIFE YOU WANT.**

- Each word in this definition was chosen intentionally! Let's break it down.
- **FUNDED:** "Funded" is used instead of "funding" because it speaks to an end state, a goal, not something perpetually in process. "A funded vision" also doesn't place all the responsibility on the individual to create the life they want. It suggests that other forces and factors can help us fund our visions.
- **THE LIFE YOU WANT:** The life you want doesn't need to look like the life you have today. This definition intentionally encourages and inspires us to think expansively and aspirationally. We hope thinking about the "life you want" is empowering, reminding us that we have personal agency to identify our goals and visualize what we want to strive for. We get to define the life we want; nobody else.

While it can be exciting and energizing to think about a funded vision of the life you want, the reality is that there are (intentional) barriers that limit your ability to fund your vision.

- Consider the governmental policies we just walked through in the history of wealth-building section of Unit 1.
- Or think about institutionalized practices in the banking and loans space, like predatory loans and bank fees.
    - **Predatory lending** is the unfortunately common practice of unfairly offering risky loans to marginalized people. This practice takes advantage of individuals and targets them because of factors like their race, gender, age, or (dis)ability status.
    - **Bank fees** are often hidden or undisclosed fees that banks impose on their customers. These fees are sometimes not transparent or upfront, and they can catch customers off guard.
- These are just two common examples. This course will cover many additional barriers and provide insights into understanding and navigating them.

The common theme with the barriers we've just introduced and the barriers that we will discuss in future modules is that **<u>they are not your fault.</u>**

There are aspects of funding the vision of the life you want that you have control over. And some aspects, such as encountering barriers, put you in circumstances and experiences that are beyond your control.

- Again, these experiences are not your fault. We will continue to remind you of this!

In this course, we focus on two key things because they influence your ability to fund your vision of the life you want.

- The financial concepts you learn and build skills and comfort around
- How confident and equipped you feel to navigate an inherently oppressive economic system

[Video 1 will stop, and students will be prompted to advance to an activity that reinforces the concepts taught in the video]

[New Page] Now it is time for you to apply the expansive definition of wealth we offered to your life! As a reminder, the definition is: **A Funded Vision of the Life you Want.**

- Consider the following questions and choose the one that feels the most natural to complete. That's why there are options. Remember, there are no right or wrong answers!
- All answers are anonymous, and you may consent or decline to share your answers with us.
    - The life I want looks like…
        - [Open text form for students to answer]
    - The life I want feels like…
        - [Open text form for students to answer]
    - The life I want includes…
        - [Open text form for students to answer]

[Video 2: The Lexicon of Wealth Justice]

To fund the vision of the life you want, it requires participating in the economy.

- 10Seven's research suggests that people face three predominant experiences when participating in the economy.
- It is important to note that this doesn't mean there are ONLY three experiences. But generally, these are the most common experiences people face and describe, according to 10Seven's research. We'll reference these experiences throughout the course.

We hope you experience **Material Safety** when participating in the economy. This is the end goal, or the state we want to help people achieve.

- Material safety is a feeling or inner knowing that you are protected from experiencing socioeconomic harm (McKenzie, 2023).

- Consider the following example of purchasing a property. For some context, I am a Black woman, and the data shows that Black women have limited access to capital and a high rejection rate for loans.
- [Chloe will be recording the video and will be speaking in first person here, sharing a personal example]
    - My husband and I own real estate and are considering buying another property. I felt hesitant. I wondered, "Is now the right time to buy another property?" I am worried about the unstable economy and uncertain about the future.
    - I think about it more, and my fears subside when I talk to my lender, Joe, whom I have worked with for years.
    - I've had traumatizing experiences in the past trying to access capital and purchase homes. But then I met my lender, Joe. He has always made me feel comfortable at every step of the property-buying process. When working with him

in the past, I have never been scared he'd take advantage of me due to characteristics intrinsic to my identity. I trust him and feel like I am completely in control.

- First, we want to acknowledge that this example is coming from a place and position of privilege.
- But, it is also a good example of Material Safety because I feel protected from the typical oppressive forces embedded in these processes. I expected the homebuying process to be a mix of pleasant and unpleasant moments, because my previous experiences were grueling at times.
- Since developing a trusting relationship with a lender, I feel more protected against the ways the system was designed to take advantage of me. There is an ease and confidence with which I feel I can navigate the home-buying process that many people report to be traumatic and challenging.

More often than not, you may experience **Financial Shame** when participating in the economy.

- This is the mental and emotional impact of being told you are to blame for your socioeconomic experiences (McKenzie, 2021).

- Consider this example:
    - Sara has been out of college for a few years and has an entry-level job that does not quite pay a livable wage. She works hard and has taken a series of online financial literacy courses that she's found through targeted Instagram ads.
    - She's taken a few courses and learns some good tips and tricks, but she still struggles to feel as though she has the greatest influence over her socioeconomic experiences and often feels defeated.
    - Sara often thinks to herself, "I've taken a series of financial literacy courses on budgeting and saving, but I still can't pay off my student loans, and my expenses are piling up. I feel like it's my fault. I need to be financially savvy so I can do better."

This is an example of financial shame because Sara feels like she is the one to blame for the hardship she is experiencing, when in reality, student loans are complex and require extensive knowledge and management. Not only that, but the repayment system (the way it was designed) is largely oppressive and continues to limit the wealth-building capabilities of many borrowers, who struggle to navigate the system even with their best efforts.

- Additionally, many financial literacy courses emphasize the individual, leaving them to feel solely responsible for their financial experiences and outcomes. Sara takes on the blame and feels shame, creating a cycle.

You may also experience **Financial Trauma** when participating in the economy.

- This is the effect of being continually harmed by the economic system and feeling betrayed by the economic system and its institutions (McKenzie, 2024).

- Consider this example:
    - Isaac finally felt ready to embark on buying his first home. As a first-time home buyer, he looked forward to receiving support and care from the financial professionals he chose to work with. This is one of the most significant financial decisions he has made.

  - As he worked with the underwriter and loan officer, he began to feel less and less safe. He just couldn't wait for the process to be over.
  - When reflecting on the process, Isaac thinks, *"*The underwriter and loan officer I worked with when buying my home were vague and misleading. I also experienced many microaggressions. Additionally, I had to take on debt to address home repairs after I moved in. It's so hard to trust people, and I feel like I can never get ahead. I just need to work harder and do more."

This is an example of financial trauma because the constant experience of being blindsided and the design of the homebuying process left Isaac feeling like he was under threat - of not being funded, of being denied because of his identity, or for reasons that were unknown to him because of the lack of transparency (what we call information asymmetry).

- Instead of feeling like he can rely on sources of support, like financial professionals, he feels like he needs to work harder. The economic system had an impact on Isaac, and he was forced to endure several adverse socioeconomic experiences throughout this process. This was not his fault, and it was something that he was left to navigate.

We've just walked through scenarios that outlined people with different backgrounds, profiles, and experiences. In the next video, we'll guide you through the different ways people respond to adverse socioeconomic experiences.

[Video 3: Common Responses to Adverse Experiences]

While there are three predominant experiences when participating in the economy, people respond to adverse socioeconomic experiences in many different ways.

- Different factors influence how a person responds, such as their cultural context, identity, past lived experiences, and current circumstances.

To illustrate this idea, picture a slot machine.
[Insert animation of slot machine and how it spins through various choices]

- When you press the lever down, the reels in front of you spin and spin, cycling through tons of different options and variations of combinations until the slot machine lands on three selections.
- More often than not, it lands on a combination of options. But sometimes you hit the jackpot.

This mirrors the experience people go through in the face of adverse experiences, like the ones we just walked through in the scenarios.

- We may respond in various ways, depending on our life stage or past experiences. We likely cycle through a range of emotions until we settle on the self-protective response that best meets our needs in any particular moment. And the response can vary in intensity. Perhaps it's a combination of feelings and responses.
- Perhaps it's a "jackpot," and we go all in on one response.

In our research, we have observed that these are the common responses that people exhibit when facing financial trauma.
[Insert animation of slot machine with these responses in the reels]

- **Hypervigilance/Over-participation** is dedicating more time and effort than usual because you feel the need to keep up and be on top of things. Often, people respond in this way because they don't want more negative experiences to happen in the future,

and so they feel it is necessary to try to outwork the system, leading to deleterious effects on one's overall, not just financial, well-being (McKenzie, 2024).
    - This could look like constantly monitoring your bank account.
- **Non-Participation/Avoidance** is retreating and removing yourself from participating in the economy.
    - This could look like closing your bank account and deciding that you don't even want to deal with the system anymore, so you remove yourself from potentially experiencing adverse experiences (McKenzie, 2024).
- **Self-Blame** is immediately thinking you are to blame or it is your fault in the face of an adverse experience (McKenzie, 2024).

These experiences are not only common but quite logical when you place trauma in context. We will take steps that we believe are necessary to overcome the negative experience as quickly as possible, even if that means acting against our own financial interests. Let me explain what I mean by that.
- It makes sense that people feel the need to constantly monitor their accounts or are hesitant to engage with the banking system because they don't want to be blindsided by fees and unfair practices. We want to avoid harm - sometimes at all costs.

Blaming yourself is also perfectly understandable because society has conditioned us to feel like we are the ones to blame and that we should have known better when we face an adverse experience that results in financial trauma.
- But the reality is that responding with self-blame is not your fault. Nothing is wrong with you! I'll say it again: nothing is wrong, but something likely happened to you. It is a logical response when participating in a harmful economic system.

So, how do we actually secure Material Safety when navigating an inherently oppressive economic system?

We'd like to introduce one healing response to socioeconomic harm and the resulting self-blame that people feel: blame shifting.

- What is blame-shifting?
    - It is the process of shifting blame away from yourself and instead acknowledging how our economic system and its institutions can create adverse experiences that are harmful.
    - Blame shifting is an essential healing response because it helps you acknowledge what is within your control and what is beyond your control. Put differently, blame shifting helps you acknowledge what influence you have over your socioeconomic experiences and helps you identify how and when the economic system harms you.

[Video 3 will stop, and students will be prompted to advance to an activity that reinforces the concepts taught in the video]

[New Page] Now, let's consider your own experiences participating in the economy. Consider the three predominant experiences we walked through:
[Students should be able to hover over or click on terms below, and definitions should drop down]
- **Material Safety**

    - A feeling or inner knowing that you are protected from experiencing socioeconomic harm (McKenzie, 2023).
- **Financial Shame**
    - The mental and emotional impact of being told you are to blame for your socioeconomic experiences (McKenzie, 2021).
- **Financial Trauma**
    - This is the effect of being continually harmed by the economic system and feeling betrayed by the economic system and its institutions (McKenzie, 2024).
- Remember, all answers are anonymous, and you may consent or decline to share your answers with us.
- Have you experienced any of these?
    - Yes
    - No
- If yes, what happened and how did it make you feel? Write down where these experiences have appeared in your past or where they are currently appearing in your life.
- [There should be multiple open text forms for each experience, allowing students to reflect on past and current experiences within each category]
    - Material Safety
        - [Open text form]
        - [Open text form]
        - [Open text form]
    - Financial Shame
        - [Open text form]
        - [Open text form]
        - [Open text form]
    - Financial Trauma
        - [Open text form]
        - [Open text form]
        - [Open text form]
- Now, reflect on what you have written down and group the instances you recalled into one of the following categories.
- [Categories should be visualized as a T chart with Category 1 on the left and Category 2 on the right. Ideally, student form submissions could be populated into boxes that they can drag and drop into category 1 or 2.
    - **Category 1:** In this category, include the instances you recalled that you blamed yourself for and considered your fault.
    - **Category 2:** In this category, include the instances you recalled that happened due to inequitable and/or oppressive systems that created your circumstances.

- Now that you've grouped the instances you recalled into either Category 1 or 2, take a moment to reflect and notice if there are any interesting takeaways from your categorizations.
    - Did you add more experiences to category 1 or 2? Why do you think that is?
        - [Open text form]
    - What do you notice about the experiences you put in category 1 vs. category 2? Are there any common themes?
        - [Open text form]

[New Page] At the beginning of this unit, you wrote down ideas for the funded vision of the life you want (which we encourage you to keep handy throughout this course).

- It is important to zoom out and understand what it entails to fund the vision of the life you want. It is not just about your ability to budget, save, invest…it also has to do with the economic system and inherent inequities you are forced to interact with!

Participatory Style Diagnostic

[New Page] As we've been learning, everybody approaches financial situations differently.
- Navigating our financial system is complicated and difficult largely because it was designed to be complicated and difficult, especially for groups that have historically been targeted by racism, sexism, xenophobia, ableism, and other forms of oppression.

[New Page] In our research into the economic experiences of people in different communities throughout the US, we've found that experiencing certain kinds of financial situations begins to influence what we will call throughout this course our **"Participatory Response Style."** That is a fancy way of saying that our financial experiences influence how we make future financial decisions.

[New Page] Earlier, we walked through the most common responses we found people exhibit when facing financial trauma. Here's a quick reminder.
[Students should be able to hover over the terms, and the definition drops down.]
- **Hypervigilance/Over-participation**
  - Dedicating more time and effort than usual because you feel the need to keep up and be on top of things. Often, people respond in this way because they don't want more negative experiences to happen in the future, and so they feel it is necessary to try to outwork the system, leading to deleterious effects on one's overall, not just financial, well-being (McKenzie, 2024).
- **Non-Participation/Avoidance**
  - Retreating and removing yourself from participating in the economy (McKenzie, 2024).
- **Self-Blame**
  - Immediately thinking you are to blame or that it is your fault in the face of an adverse experience (McKenzie, 2024).

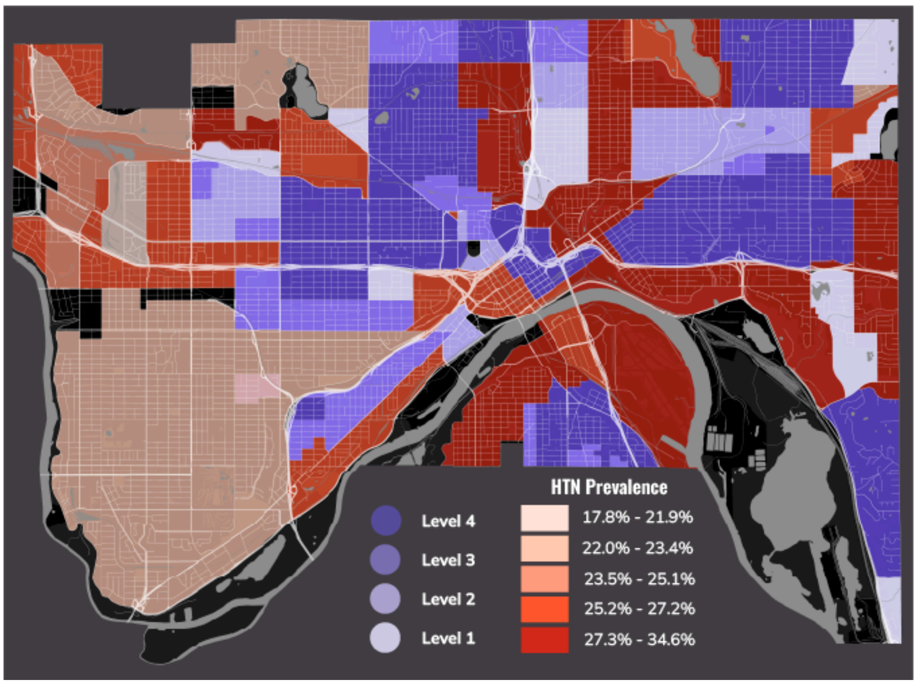
[New Page] People respond to adverse financial experiences in many different ways.
- Some people may feel confused, blindsided, angry, and even scared because of what they experienced, so they may want to avoid financial decisions as much as possible. This is **Non-Participation** or **Avoidance.**
- Some may have experienced the exact same thing, and it makes them want to be extra aware, extra organized, always "on top of their game." This is **Hypervigilance** or **Over-participation**.
- Remember: there is no right or wrong way to approach our financial situations, but it can be helpful to recognize your participatory response style when you're in different financial situations.

[New Page] Our hope is that the activity we're about to walk you through can help you identify where you may fall on what we call the **"participatory response style spectrum."**
- Do you think you are more on the side of **Non-Participation** or **Avoidance?** Or on the side of **Hypervigilance** or **Over-participation**? We will have some time to consider this in just one moment.

[New Page] But first, we want to touch on the relationship between financial health and physical and mental health. To illustrate the interconnection between these two concepts, here is a map from a study conducted in collaboration with the City of Saint Paul. This is called a Traumagraph™ map.

- Traumagraph™ maps were created by Chloe McKenzie, the founder of 10Seven. This particular map shows where residents of Saint Paul are experiencing the most severe forms of **Financial Trauma,** and on top of that, it shows where residents of Saint Paul experience hypertension or high blood pressure (McKenzie, 2024).

[Students should be able to click on Financial Trauma to be reminded of the definition]
[The following map should be displayed]



Source of base maps: City of Saint Paul and MDH analysis of data from the MN APCD
HTN = Hypertension

- Now, this does not mean that financial trauma causes hypertension. Nor does this mean that hypertension means you will experience financial trauma.
- However, what this is showing us is that there is a significant relationship between our financial experiences and our overall health and well-being!

[New Page] Now, back to reflecting your "participatory response style." Consider the following scenarios:
[There should be 3 "cards" labeled "scenario 1", "scenario 2", "scenario 3." The student should be able to click on each card, and it will flip over and outline the scenario on the back.]

- You received an email saying that your bank closed your bank account permanently without warning. You had $250 in that account and can no longer access it. You have to pay your cell phone bill today or your phone service will be shut off. You keep trying to call bank customer service, but you're constantly directed to an automated recording.
- You received a store credit card in the mail and realized that while you were at the mall last week, the store cashier tricked you into opening a credit card. You thought it was a

membership rewards card. You weren't really sure what the cashier was offering or what you were signing up for, but you gave in because the cashier was being overly persuasive and you were running late for work.

- You forgot to pay a utility bill for one month – even though you thought you had set up autopay – and you were alerted that it will now show up on your credit report (a financial profile that is used to determine if you're trustworthy to borrow money, rent or own a home, or even get a cell phone) and potentially negatively impact your credit score. This happens right before you plan to apply for a new credit card to increase your access to credit, and you're worried it might impact your chances of being accepted.
- **Pause. Notice how you felt after reading each scenario.**

[New Page] Let's apply these learnings and concepts to your own life. Specifically, let's reflect on your own participatory response style.

- After considering the previous scenarios and reflecting on your experiences participating in the economy in general, what do you think your participatory response style is?
- Use the spectrum below and drag the marker to the spot on the spectrum that best represents your participatory response style.

[Include an interactive spectrum with a toggle that students can use to identify where they think they "fall" on the spectrum. The toggle should move, and they can "submit" their final position.]

[New Page] Why is this an important thing to know about ourselves?

- With this new awareness, we can better prepare ourselves to plan for challenging and potentially harmful scenarios and identify the support we may need.
- What do we mean by this?
    - This could look like a trusted adult or friend who can help us approach our financial situations in a new way.
    - This could involve scheduling time to manage our finances so that they don't take over our lives, or so that we can motivate ourselves to engage with them periodically.
- There is no right or wrong answer; this is about discovering your style and what works for you! In fact, we will be engaging in this type of activity throughout all modules in Track 1, allowing you to continually learn more about and reflect on your participatory response style in various contexts and scenarios.

[New Page] In Units 3 and 4, we'll dive deeper into what you can expect throughout the duration of this course.

<u>Unit 3: This is a Financial Education Course</u>

[New Page] You may be familiar with the term financial literacy.

- **Financial literacy** refers to one's level of knowledge and understanding of specific financial concepts. It is largely focused on the individual learner and can assume that the environments and systems most people navigate are friendly to them and they will experience no barriers or harm (NEFE Podcast).
  - This is not to say that financial literacy workshops or classes you may have taken in the past are bad. They may just overemphasize YOUR role versus the role that the system and US history play in your financial circumstances.

[New Page] We're curious. Where do you go for financial advice?

- 1 - Please select all that apply.
- [Mini survey]
  - Family and/or friends
  - Financial professionals (e.g., accountants, financial planners, financial advisors)
  - Internet Search
  - Bank or financial institution
  - Books
  - TV (e.g., news channels, shows about finance)
  - TikTok
  - Instagram
  - Twitter
  - Reddit
  - Youtube
  - Other sources - please list:
- 2 - Is there a specific person or source you trust or think seems trustworthy?
  - Yes
    - Who and why? Feel free to list multiple examples. [Open form but provide boxes for multiple answers].
  - Maybe
    - Who and why? What makes you uncertain? [Open form but provide boxes for multiple answers].
  - No
    - Why not? What kind of sources would you trust? [Open form but provide boxes for multiple answers].

[New Page] Using credit cards, mortgages, loans, and other financial products has become increasingly common, and the teaching of basic skills needed to manage income, debts, spending, and investing has followed suit (NEFE Podcast).

- As of 2024, more than half of the states in the United States have mandated financial literacy education as a high school graduation requirement.
- As of 2025, specifically, 27 out of 50 states require students to complete a financial literacy course before receiving their high school diplomas!

[New Page] Unfortunately, the term "financial literacy" has become overused and saturated.
[Show images/quick clips of influencers, courses, books, articles - stitch together a montage]

- We're inundated with messaging that emphasizes that if we just know the right tricks, we'll be able to accumulate wealth.
- While some content may seem helpful on its surface, it often does not tell the complete story.

[New Page] In the world of financial literacy, there are many common themes.
[Visualize themes and what's really happening into two columns like a checklist]

- Here are the common themes we see:
  - Here's how I saved all this money
  - Quick tips for getting rich
  - Oversimplified investment advice
  - I started from the bottom, now I'm here
  - It's easy if you know what you're doing
- What's really happening
  - They want you to buy their course (or worse, their merch)
  - They have partnerships with financial brands
  - They are trying to go viral / rage bait
  - They lack certain certifications
  - They don't disclose their own backgrounds (e.g., born with privilege)
- This is not to say that every educator, brand, program, or influencer is duping you! We want you to be able to engage with financial information (including this course) critically and thoughtfully. And most importantly, in the context of your own life and in the world you are living in.

[New Page] What's different about this course? We provide financial education through a wealth justice lens.

- As we mentioned earlier, **financial literacy refers** to one's level of knowledge and understanding of specific financial concepts, while **financial education** involves the systematic coordination of approaches and processes that facilitate financial knowledge and informed decision-making (NEFE Podcast).
- But what does "providing financial education through a **wealth justice** lens" mean?
- It means that the financial education we build focuses on two key things that influence your ability to fund the vision of the life you want:
  - 1) The financial concepts you learn and build skills and comfort around
  - 2) How confident and equipped you feel to navigate an inherently oppressive economic system
- By bringing together financial education and wealth justice, we recognize that the world around us and the financial system are often designed to prevent vulnerable groups from building and sustaining wealth. This approach also involves taking your own individual circumstances and financial trauma into account, so building wealth can be a healing, not a harmful, experience.

[New Page] Beyond this course, you'll **come across both helpful and unhelpful financial information in your life.**

- [Visualize as two columns]
- Financial content that is helpful and trustworthy will….
  - 1) Come from credible, unbiased sources like:
    - Government agencies
    - Educational institutions
    - Accredited financial professionals
    - Peer-reviewed research
    - [Are there other bullets that we should add here?]
  - 2) Provide appropriate credentials, like:
    - Certified Financial Planner™ (CFP®) practitioners
    - Accredited Financial Counselors (AFC®)

            - Educators who follow standards set by professional associations
            - PhD or EdD in a field related to financial education, economics, or personal finance
                - [Are there other bullets that we should add here?]
        - 3) Take the current context into account
        - 4) Recognize the role of oppression and exploitation in the US financial system
        - 5) Understand that one individual's experience may be different from someone else's
        - [Are there other bullets that we should add here?]
    - Financial content that is unhelpful or exploitative will…
        - 1) Make financial literacy seem "easy" to understand
        - 2) Over-simplify financial concepts
        - 3) Promise quick results
        - 4) Ask for fees or payments to access unverified information
        - 5) Use fear or shame tactics
        - 6) Push specific product sales (e.g., credit cards, loans, insurance products)
        - [Are there other bullets that we should add here?]

[New Page] Consider asking yourself these questions when you come across financial content.

- Who is giving the information? [Add context on who should be giving information]
- Is there a financial incentive for them? [Add context on how some people might be getting paid or trying to make you take their course]
- Do they source their information? Are those sources credible?
- Does it take into account history and the world we live in? [Add context on how to source things]
- Does it feel relevant to my personal financial experiences? [Add context on financial trauma, financial experiences, etc.]
- Does it feel realistic or achievable for you or the average person? [Might need to phrase differently - add context on the "realities" most people are living, most people only have XYZ savings, etc.]

[New Page] Now, let's think back to some of the sources you listed.

- [Show previous sources students submitted through the mini quiz]
- Pick one and go through each of the questions we introduced to see if it still stacks up. Share which source you're going to use for this activity in the box below. Remember, all answers are anonymous, and you may consent or decline to share your answers with us.
    - [Open text form submission]
- Now, apply each question we introduced to your chosen source.
    - Who is giving the information?
        - [Open text form submission]
    - Is there a financial incentive for them?
        - [Open text form submission]
    - Do they source their information? Are those sources credible?
        - [Open text form submission]
    - Does it take into account history and the world we live in?
        - [Open text form submission]
    - Does it feel relevant to my personal financial experiences?
        - [Open text form submission]

    - Does it feel realistic or achievable for you or the average person?
        - [Open text form submission]
- How do you feel about your source after going through this exercise? Does it still feel legitimate?
    - Yes
    - No
- If your source seems legitimate, that's great! If not, don't worry - it's not your fault. Incomplete or misleading information is designed to sound truthful on purpose.
- Our goal is to equip you with the knowledge and awareness to make financial decisions that work for your life and support your wellbeing – not someone else's idea of it.

[New Page] We've done a deep dive into the meaning of wealth and the history of wealth building in the U.S. across different groups of people. We've offered you a new approach to radically defining wealth and applying this definition to your own life. We've introduced the distinction between financial literacy and financial education, as well as how this course will be delivered through a wealth justice lens.

- Now, let's get into more details about the course as you finalize Module 1 and continue on your learning journey.

Unit 4: About the Fund Your Future Course

[New Page] No one's relationship with money or wealth is linear.

- This course is designed to reflect that.
    - **Pacing:** You may take this course at your own pace and take the Modules within a Track in any order. The course will save your spot at any point throughout the journey, allowing you to easily return and re-review content.
    - **Testing out:** We also recognize that some students may already have experience with financial concepts and tools. That's great! We encourage all students to complete all modules in their entirety; however, some modules may offer the opportunity to "test out."
    - **Mixed media:** While much of the content is online and self-paced, we provide several in-person touchpoints, events, and panels throughout the year to bring the Smith community together and discuss important financial topics.
    - **Additional resources:** Each Module includes extra information on specific topics. These are optional, but can be extremely helpful in understanding complex topics or navigating certain financial situations. You can also leverage additional resources provided by the Conway Center, such as reaching out to our Money Mentors. For more information on how Conway supports students' financial lives, **please visit this link**.

[New Page] Before you dive into future modules, let's walk through an overview of the Fund Your Future Course Framework.

- [Show a visual of the course framework, breaking down the tracks, modules, and units, and the learning journey students can expect]
- **Tracks:** This course comprises three tracks that offer you a progressive learning journey. Each Track represents a collection of modules that have similar levels of complexity. They include:
    - Track 1: *Solidifying Foundational Skills,*
        - Creating a financial foundation that can prepare you for now and later
    - Track 2: *Building on New Knowledge*
        - Building on foundational knowledge introduced in Track 1
    - Track 3: *Diving into More Advanced Topics*

        - Diving into topics that are more advanced and relevant to students who are closer to graduating.
    - All students are strongly encouraged to complete *Track 1: Solidify Critical Skills* before graduation. *Tracks 2: Build on Foundations* and *3: Dive Deeper* are optional, but recommended as they deal with topics you will encounter both at Smith and beyond.
    - Tracks can be completed at your own pace. Some students may complete all three tracks within their first year, while others may spread them out over four years.
- **Modules:** Each Track is composed of Modules on major financial education topics. Each Module includes detailed content, interactive activities, supplemental documents, and moments to check for understanding interspersed throughout. Some Modules may offer the option to "test out" if you are familiar with the information provided. However, a Module is only complete if you pass the assessment.
- **Units:** Each Module is divided into a series of 4-6 Units that break down a high-level topic into different, digestible focus areas. This helps ensure that we cover a wide range of information within a specific financial education topic and allows you to absorb the information in a step-by-step manner.
- **Activities:** Various activities, including surveys, sorting exercises, open-ended questions, games, and more, are incorporated throughout units to make content interactive and engaging. Most activities require participation and will help you start to apply the information you have learned. Don't skip them!
- **Assessments:** [Need to determine assessment language and guidance]
- **Supplementals:** Each module includes optional supplementary materials that provide additional detail on specific topics. These are not required for you to review to complete the module, but they are extremely helpful.
- You can access the course map at any time from the **Main Menu.**

[New Pagexn] The Fund Your Future Course will also have an accompanying podcast!

- To complement the course, we're launching *Walk With Me to Class*, a podcast designed to provide quick, expert commentary on financial topics from the course. Each episode is 5–7 minutes—just long enough to listen to on your way to class—and will encourage students to explore the full course.
- During each episode, a student will post a burning financial education question to an expert who will engage in conversation with the student and provide their insight. All topics discussed on the podcast will be explored in detail in different modules throughout the course.

[New Page] While taking the course, you'll always have the opportunity to submit questions!

- We encourage you to collect your questions as you progress through the course and submit them through the course portal so we can address them.

[New Page] Confidentiality and Respect

- [Need to determine language here in partnership with Smith]