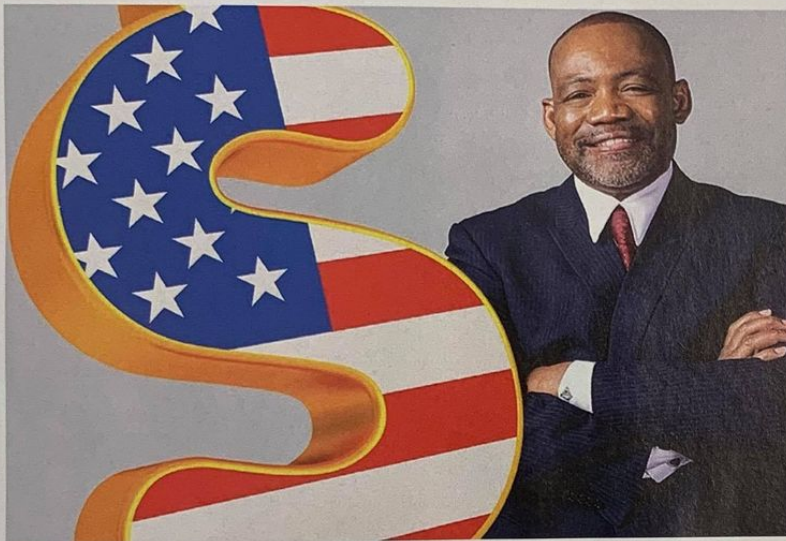


Money

How your money and spending can change the world for the better

Why Black Wealth Matters in White America



ANTHONY TYUS

Here's what we can all learn to build above average wealth.

The general population, otherwise known as the 99 percent, have a love/hate relationship with wealth. They resent those who have it but spend their lives attempting to get it, all the while self-sabotaging that effort in ways that are avoidable if they knew the rules of the rich.

Yes, the rich have rules. Most individuals, and indeed the majority of Black Americans, never accumulate substantial savings because they do not understand the nature of money and how it works. Much of this lack of understanding and lack of access to financial education comes down to systemic racism passed down from generation to generation within the Black community. Throughout American history, most Black Americans were shut out of our financial system, thereby

not gaining the access or opportunity to accumulate wealth or an understanding of money that could have been passed down. The time to start is now. More generational wealth means more societal influence and less vulnerability to the ills of civil rights infringements. In short, wealth equals life, and our very survival depends upon it.

Earning a lot of money does not make you wealthy. You will never out-earn your lack of financial education or your bad money habits. It's like trying to out-exercise your lack of nutritional knowledge or your lousy eating habits; it's exhausting to take two steps forward and three steps back, not to mention futile. Being wealthy is more about your financial behaviors and your financial intelligence quotient than about how much income you earn. Wealth is also not an aesthetic pursuit. Driving an expensive car, buying a house you cannot afford, and wearing high-end fashion labels doesn't make you wealthy. In fact, for most folks who have not yet attained enough steady wealth to afford them comfortably, it can even make you broke.

Let's take a look at Black American money habits and the value brought to this country's economy. In recent decades, Black Americans' value to corporations has primarily been in the volume of goods they consume, which is higher than the average American. With a handful of exceptions, we have traditionally been consumers rather than creators. According to the Selig Center for Economic Growth at the University of Georgia, "Black buying power will rise from \$1.3 trillion in 2017 to \$1.54 trillion by 2022. The 108 percent increase in Black buying power between 2000 and 2017 outperformed the 87 percent rise in White buying power and the 97 percent increase in total buying power (all races combined) during the same period."

Black Americans have been emotionally conditioned to believe that acquiring material things makes us wealthy, rather than producing, saving, and investing. Great for corporations, bad for Black wealth.

By following the rules of the rich and investing \$100 per month in the stock market, you will likely have built over \$200,000 in wealth within 30 years. According to the Federal Reserve's Survey of Consumer Finances, that is over double the \$97,300 median net worth of all Americans last year. The strategy I have adopted with my finances is that I always prefer to position myself as a "bank." Whether I'm investing my own money or borrowing money to invest, I position myself as the lender in some capacity because the lender always wins. As a Black American, I have made the conscious choice to structure my finances to be a lender and not a borrower, and to be a producer, saver and investor, rather than a consumer. Wealth begins when we learn to reject debt and designer labels, manage to spend less than we earn, and invest the rest. ■

Solomon RC Ali is CEO of NDR Energy Group, one of the largest minority-owned energy companies in the United States, and CEO of Revolutionary Concepts. He is also host of the podcast MBA: Minority Business Access.