


1  **Creating Generational Wealth  
Brookland Baptist Church**

Rev. Dr. Charles B. Jackson, Sr., Pastor  
Deacon Leon Williams, Presenter  
September 25<sup>th</sup>, 2024

2  **Proverbs 13:22**

- *"A good man leaveth an inheritance to his children's children." (KJV)*
- *"Good people leave an inheritance to their grandchildren." (NLT)*
- *"If you obey God, you will have something to leave your grandchildren." (CEV)*
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3  **Proverbs 21:20 – New Living Translation**

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- *"The wise have wealth and luxury, but fools spend whatever they get."*

4  **Barriers Black Families Face in Building Generational Wealth**

DEACON LEON WILLIAMS, PRESENTER  
WEDNESDAY, SEPTEMBER 25, 2024

5  **Barriers to Building Generational Wealth**

- Black wealth is increasing, but so is the racial wealth gap
- For every \$1 of wealth held by a white family, a Black family had just \$0.25 in 2022
- Between 2019 and 2022, median wealth increased by \$51,800
  - The racial wealth gap increased by \$49,950
  - \$240,120 in wealth is the difference between the median white household and the median Black household.
  - For every \$100 in wealth held by white households, Black households held only \$15
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6  **Barriers to Building Generational Wealth**

- Between 2019 and 2022, total wealth increased for all racial and ethnic groups
- - Median Black Wealth went from \$27,970 to \$44,890
  - Median wealth for non-white Latino is \$62,000
  - Median Wealth for White Households is \$285,000
  - Asian Households is \$536,000
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- Net housing equity drove increases in Black wealth
- Corporate and business equity drove increases in white wealth

7  **Black families face racist barriers to creating wealth**

- Lack of Home ownership and Business Ownership
- Black Americans are more likely to be Under-banked
- Black Americans face lower median credit scores

8  **Black families face racist barriers to creating wealth**

- Black Americans haven't enjoyed equal access to homeownership
- Redlining and/or Steering
  - Not having access to credit and banking services
  - Lower Home Values (Could negatively impact refinancing)
  - Black-owned homes are undervalued by 23%

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**Black families face racist barriers to creating wealth**

- Black Americans are more likely to be Under-banked
- Under-Banked: Not having access to standard banking services
- Having to rely on alternative solutions
  - Check-cashing services
  - Payday Loans
  - Finance Companies
- 47% of Black and Latino households were underbanked in 2021

10  **Black families face racist barriers to creating wealth**

- Black Americans face lower median credit scores
- Black communities have significantly lower credit scores than those in Hispanic or white communities
- 2022 Study of Black Median Credit Scores Compared to White Credit Score
  - Black young adults aged 18 to 20 – 24 points lower than white peers
  - Black young adults aged 21 to 24 – 83 points lower than white peers

- Black young adults aged 25 to 29 – 105 points lower than white peers

11 **How do we contend with the Barriers?**

- Acquire Financial Literacy
- Get Serious About How You Earn and Manage Your Money
- Become more disciplined On How You Manage Your Money

12 **Credit Card Debt is the Enemy**

1. The amount of Credit indebtedness in America is 34 Trillion Dollars
2. Nationwide Credit Card Debt is 1.1 Billion Dollars
3. The average household debt is \$38,000
4. 78% of Americans live from paycheck to paycheck
5. 90% of Americans worry about paying their bills
6. Legitimate creditors are currently charging 24% to 28% interest
7. Loan Sharks such as Title Loans and Payday Loans charge up to 300% interest

13 **Characteristics of Wealth Building**

- Behavior
  - Financial Management is 80% behavior and 20% knowing how
- Knowledge
- Hosea 4:6 - My people are destroyed for lack of knowledge
- Mindset
  - Romans 12:2 – Be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable and perfect will of God

14 **Understand How Money Works**

- *Money is Active*
  - Money can grow or shrink depending on whether you're spending or saving
- *Gain control of your money before it controls you*
  - When your total debt (excluding your house) is more than your income and savings, your money is controlling you.
- *Make your money work for you*
  - Each dollar that you have or earn should be working for you

15 **Setting Financial Goals**

*The First Step is to Identify your Goals*

- *Knowing your destination can help you map the best path to get there*
  - *For large or ambitious goals, it can be helpful to plan out the specific steps you'll take to bring your goal into reach*

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- *Identifying your goals can give you a sense of purpose for all the hard work you put into your finances, and a feeling of accomplishment when you reach those mile markers you've set for yourself*
  - *You can't cross the finish line if there is no finish line. When you have a clear goal, you'll have a way of knowing when you've arrived*
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#### 16 **Set Financial Goals**

- *Know why you're setting a Goal*
  - You need a vision for your Goal
    - Such as: Financial Security, College Expenses, Vacations, Investments, New Car, etc.
- *Your Goals Should Be:*
  1. Specific
  2. Measurable
  3. Have a Timeframe (reasonable)
  4. Personal or Family
  5. Written Down
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#### 17 **Accomplish Your Goals**

- *How much money will you need to accomplish your Goal?*
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- *Putting a price tag on each goal is a crucial detail that can help you determine the right savings rates, and help you track your progress to the finish line*
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- *The first step to achieving any kind of financial goal is getting organized and finding out where you stand now and where you want to be*
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#### 18 **Accomplish Your Goals**

- *Make A Plan*
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- *Change Your Habits:*
  - Habits account for 40% of our behavior
  - People don't decide their future, their habits do
  - Changing your habits will be tough and require sacrifice
- *If you can change your mind, you can change your habits.*
- *Romans 12:2*

#### 19 **Steps to Building Wealth**

1. Establish a *Monthly Budget* for the money you earn, spend and save
2. Save \$1,000 for your *Starter Emergency Fund*
3. Use various methods to pay off all debt, except your house
4. Save 3 to 6 months of your household expenses in a fully funded emergency fund.
5. Invest 15% of your pretax household income into retirement investments.

6. Saving for your children's college education or your retirement income
7. Payoff the house mortgage as early as you can
8. The final Step is to build wealth and Give to the upbuilding and maintenance of God's Kingdom

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20  ***The importance of Budgeting***

- Budgeting is a key tool to help you know how much money you have coming in and going out of your household.
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- What is your monthly take-home pay?
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- How much do you pay for essential expenses, like food, health insurance, car, gas and housing?
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- How much do you typically spend on nonessential expenses, like entertainment, eating out, vacations and shopping?
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- If you have debt, what are your balances, interest rates, and minimum payments? Payments on debt should be considered part of your essential expenses.
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21  ***Budgeting Steps***

1. Inventory your finances: Review your income, expenses, debt balances, and the interest rates you're paying
2. Review your budget to make room for future priorities
3. Track your financial information in one place
4. A budget isn't etched in stone
5. A budget is meant to be fluid and may change as your lifestyle and needs evolve
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