

FINANCIAL LITERACY FOR ALL

DISRUPTING STRUGGLE, ADVANCING
FINANCIAL FREEDOM, AND BUILDING A NEW
AMERICAN MIDDLE CLASS



JOHN HOPE BRYANT

FOREWORD BY DOUG McMILLON, PRESIDENT AND CEO, WALMART INC.

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To the pioneers of the past:

This endeavor would be incomplete without paying homage to the giants upon whose shoulders we stand: Rev. Andrew Young, Bishop T.D. Jakes, Rev. C.T. Vivian, Tommy Dortch, Jr., and Dr. Dorothy Height. These names and other greats echo through the corridors of time, resonating with determination, resilience, and a vision for a brighter future, not only of equal civil rights but also of economic empowerment and the dignity that comes from self-sufficiency.

To my mother:

Everything I am today, I owe to my mother, Ms. Juanita Smith. Everyone who knew her, even briefly, can vouch for why. She was a spirited, determined force, whose wisdom was far more impactful than any formal education I ever received. I have had an abundance of blessings in my life, but the greatest one was being born her son. She brought me into this world and I was there holding her hand when she walked out of it.

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Foreword

It's difficult to concentrate when you're worried about something.

Your focus ends up divided between the task at hand—whatever it is you're trying to accomplish—and the source of your concerns. Pressure like that makes it hard to think clearly and do your best work, and it's easy to make a mistake, to let something slip.

Financial uncertainty weighs heavily on individuals and families. The stress and tension affect everyone in the household, and can lead to intergenerational consequences, from cycles of debt to negative effects on physical and mental health. And when people are worried about being able to make ends meet, it's hard to see past the next paycheck, and it is nearly impossible to dream about getting ahead and living a better life.

When I think about what it means for people to live better lives, I think about how important it is to help people to save time so they can devote bigger pieces of their day to the things that matter most to them. I think about reliable access to affordable, healthy food and quality goods and clothing to help people save money. And I think about helping people to understand how

money works so they can make the most of these savings—how to help people improve their financial literacy.

I learned early on, from both my parents and my grandad, the importance of saving and the value—the power—of compounding interest. Those lessons in money management were formative, and they stuck with me. But as John Hope Bryant writes in Chapter 2, Section I, “financial literacy isn’t just about money. It’s about the freedom to make choices, the confidence to take control of our own lives, and of our communities, and the opportunity to shape our own futures.”

That’s the American Dream—choice, confidence, control. Freedom. It’s about more than just surviving. It’s about living life to its full potential, and when people are empowered to strengthen their financial well-being and make choices that lead to a healthier financial future, the dream can become a reality.

Although financial literacy as a concept might sound complicated or confusing, complexity isn’t really the biggest hurdle to understanding the ins and outs of money and how it works. Historically, the problem has been access. The tools to improve financial literacy haven’t always been available to everyone. Legal obstacles and societal inequities have prevented certain communities and groups from gaining the knowledge and experience necessary to achieve equal financial independence.

However, the concepts in this book aren’t theoretical, and John doesn’t write about them with clinical detachment. He has experienced first-hand how a lack of financial literacy, rooted in these inequalities, can shape the dynamics in a family and alter the course of people’s lives, and he writes about his early childhood and the experiences that shaped him with honesty and clarity.

John doesn't shy away from the importance of personal responsibility, either. He faces the question of accountability head-on, and makes clear, through accounts of his personal experience, the importance of individual curiosity, drive, and determination.

But what might have otherwise been an autobiography, or a sociopolitical policy piece, becomes a passionate call-to-action to educate some of our most vulnerable populations and steer them away from a paycheck-to-paycheck mentality toward a new mindset and a more optimistic, prosperous future. Because John believes in his message. He believes in it because he's lived it. And he wants to see you succeed.

That's why he founded Operation HOPE: to advance economic opportunity by extending a helping hand to the underserved and the disenfranchised, to support, encourage, and educate so that a more abundant life is within reach, for this generation and the next. It reminds me of what Sam Walton said about working together to lower the cost of living for everyone, "to give the world an opportunity to see what it's like to save and have a better life."

As president and CEO of Walmart, I'm excited that we are one of the companies participating in Financial Literacy for All, because we're all better off when people have the opportunity learn and apply the basics of a financial education and realize their full potential.

—Doug McMillon, Walmart president and CEO

Prologue

In the evolving tapestry of America's history, few threads are as significant, and as overlooked, as that of financial literacy. Financial literacy is arguably the least expensive and most effective tool for community economic development in existence today. Other than a job or a basic means of creating income, it is the greatest tool for personal economic uplift available to each and every individual on the planet desiring self-determination. As you will hear me say repeatedly in this book and speeches here and around the world:

Financial literacy is the civil rights issue of this generation.

It is the first thing that US President Abraham Lincoln pivoted to, immediately after the Civil War in 1865, when he signed into law the Freedman's Bank, which was "chartered to teach freed slaves about money." Unfortunately, Lincoln was assassinated a month later, and the dream died away for a time. But Operation HOPE and I are committed to bringing the vision and mission of the Freedman's Bank back to life and at scale.

This is why we encouraged then US Treasury Secretary Jack Lew and the Obama Administration to change the name of the US Treasury Annex Building (the original location of the

Freedman's Bank) to the Freedman's Bank Building—which they did in 2016.

This is why Operation HOPE launched the 1865 Project, focused on extending, continuing, and scaling the original mandate of the Freedman's Bank—this time for all underserved people, including the struggling middle class of America. We need the working class and the laddered-up middle class in America, and around the world, to grow.

Sustainable growth is my calling, and opportunity for all is my mandate. Financial literacy for all is the means to achieve both.

This book is not just an exploration of simple numbers and accounts and jargon; it is a journey into the heart of a nation, its people, and the dreams that bind them—that bind *us*—together. It's an exploration of how we got where we are today, the ripple effects of our past choices as a nation, and a roadmap for new, better choices for a better economically inclusive, and sustainable future.

As you delve into these pages, you'll encounter stories of individuals, families, and communities. Each narrative, while unique in its circumstances, speaks to a universal truth: Financial literacy is more than just understanding money. Financial literacy is the key to unlocking potential, bridging divides, and crafting a brighter, economically inclusive tomorrow.

Money is emotional; it ties to feelings of self-esteem, confidence, and meaning. And it's the financial freedom for all. This I know for sure. As a prominent banking CEO told me just recently, "John, financial freedom just may be the only real freedom we have, because we actually can exercise some real control over it in our lives."

But why now? Why is this topic so pertinent at *this* juncture of our history? Because, my friends, we—as in the United States of America—are at a unique crossroads. We are in an era defined by rapid technological advancements, shifting global dynamics, growing wealth and income disparities, and an increasingly insecure middle class. There are real questions about how to sustain a middle-class standard of living for anyone over the next 10 to 20 years. And with rising political divisions and socioeconomic unrest, the stakes have never been higher for finding answers. The tools we arm ourselves with today will determine the trajectory of generations to come. This topic is so important because financial literacy is the most powerful and positive tool, we have to solving the problems of today and securing our future.

In the spirit of unity and forward momentum, this book is both a reflection and a call to action. It seeks to inspire, educate, and mobilize a movement around the importance of financial literacy as the new civil rights issue for this generation.

Whether you are white, Black, or brown (as in race), or whether you rally behind the red or the blue (as in partisan politics), my guess is you want some more green (as in US currency) for yourself and your community. In a world expert at what it's against, we must now decide on and commit to what we are for. I believe that is opportunity for all. And so, as you turn each page, I invite you to not just read but to engage, question, and then commit to being part of that solution.

The road ahead is paved with challenges, sure, but as history has shown, when we come together with purpose and passion, there's no obstacle too great for us to overcome. Together, let's shape the future—one in which every individual irrespective of their

history or background has the tools, knowledge, and confidence to realize the full measure of their potential to both dream and act. To create true agency in their lives.

To a future of possibility,

—John Hope Bryant

Introduction: America's Upgraded Business Plan

Imagine this scenario: You've worked your entire life, providing for yourself and your family, playing by the rules, and saving what you can. Now, you're approaching your retirement years, hoping that the money you've saved is enough to carry you through, and that your years of hustle and hard work have built a secure foundation for your future.

But here's the reality, my friend. The nest egg you've been nurturing isn't enough to cover your expenses, let alone an unforeseen emergency. And worst of all, it's too late to do anything about it. This nightmare scenario is one far too many Americans face, and it's due to a lack of financial literacy. Think about this for a moment. We live in the largest, strongest, most robust economy on the planet, yet most of our children don't even get one class in financial literacy. No one is telling them (and us) how this economy works.

As I wrote in my earlier book, *The Memo*, there is no instruction manual for anyone seeking to move into the promise of their lives. Everyone is essentially winging it in this free enterprise democracy of ours.

Yet financial literacy is the bedrock of individual prosperity and economic growth in the United States of America. Without it, we cannot fully participate in our free enterprise system, and we cannot make informed financial decisions. We are left at the mercy of an economic system we do not fully understand—and worse yet for some of us, one that was not designed to support us.

According to the 2018 Consumer Financial Literacy Survey, four out of five US adults agree that they could benefit from additional professional advice and answers to everyday financial questions. And according to PwC's 2023 Employee Financial Wellness Survey, 60% of full-time workers are stressed out about their finances.

What I have seen firsthand, coming up from nothing in Compton, California, and now as an entrepreneur and successful businessman who eats, breathes, and sleeps financial literacy, is that it's not a lack of desire or ambition that holds so many of us back from long-term financial freedom. It's bad role models and a fundamental lack of the essential building blocks for financial success, including the knowledge and comfort to talk about money, the tools and resources to better our situations, and the right enabling environment to win.

Where I grew up, there was a check cashier next to a payday lender, next to a rent to own store, next to a title lending store, next to a pawnshop. This was normal, but it shouldn't have been. When you come from where I come from, everyone around you has a credit score of 500 to 600 or worse. And so you accept your reality as the norm and what you deserve. But it is not. Through my foundation Operation HOPE and with this book, I am aiming to break the financial shackles that bind so many to a life of financial suffering and a survival mentality.

To me, this empowering work matches and stands on the legacy shoulders of civil rights, in the public streets of the twentieth century. In this twenty-first century economy we live in today, it's silver rights in the business suites that will allow us to all come up together.

Understanding the world of finance is an intimidating and daunting task, especially given its complexity and the speed at which it evolves and at which money flows. This book aims to demystify this world, offering the insights and strategies that Operation HOPE is using to equip communities all over the United States with the knowledge and skills to navigate their financial lives, because this is what it will take to make America the land of opportunity for all.

Our journey will take us through the current state of financial literacy in the United States, highlighting the gap between the haves and the have-nots. It will underline the impact of this gap on various communities, with a special call out to my community of Black America, given its unique role in our nation's history and development. We will explore the implications of this disparity and its origins, delving into the historical events and policy decisions that have perpetuated financial inequality. I'll recount stories from our past of the systemic hurdles that people of color have faced in their pursuit of the American Dream, including the failure of the Freedman's Bank and racial segregation during the Jim Crow era. In addition, I'll dissect how a growing lack of financial literacy has left other groups behind, including my low-income white brothers and sisters.

Take student loan debt, for instance. If you get a student loan for a financially sound purpose like professional advancement, you could make multiples over the cost of that education in enhanced

annual compensation over time. This is the calculation on risk and reward that you must make when considering student loan financing (at least until our public policy leaders decide that higher education is a public good that benefits all citizens, and they find another way to facilitate having an educated majority of the population).

My point is: Whatever you do should have inherent value tied to it. Making good decisions about what to finance and when, being an informed and empowered consumer today, has the power to transform the quality of life for you and your family.

But this book is not merely a diagnosis of our society's ailments. It is an empowerment tool for the average person seeking a better quality of life in the twenty-first century, and it is a social movement call to action! The second half of our journey is devoted to solutions that can bring about transformative change. Through powerful and focused financial education initiatives for the public, intentional community engagement, workforce development, and upgrades in environments, we can bridge this gap between the haves and have-nots, between the financially illiterate and the financially free. We can realize the value of our connections to each other and open up the powerful mechanisms of the free enterprise system for all.

Reimagining the Way Forward

America has built its economy through human ingenuity, constant reinvention, leveraging natural resources, and honestly, a bit of luck. Over the two and a half centuries of our existence as a nation, we've built a reputation for ourselves through steel, oil, and gas, and through innovations of industry like the