Black Experiences in Web3

An exploration of crypto adoption in Web3 by Black people

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https://cradl.org/black-experiences-crypto

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The Crypto Research and Design Lab (CRADL)'s vision is to champion a humanity-centric Web3 for everyone. Our mission is to clear a path for an equitable Web3 where people and communities are at its center.

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Executive Summary

Black people in the United States are adopting crypto at [high rates](#) relative to other groups and to traditional financial tools. This report seeks to answer why. *What are the motivations? What is unique about Black people's motivations and participation in crypto?*

We want the Web3 industry, leaders at traditional banks, and policymakers to use this report as inspiration for meaningful and evidence-based solutions that enable more equitable wealth-building opportunities. We know that historically, policy and economic structures have harmed and constrained Black communities and people from building wealth (the topic of our CRADL report, [Investigating Generational Wealth: Current Challenges & How Crypto Can Help](#)). Despite that, Black people in the U.S. have always been future-facing, creating innovative solutions and lighting new paths. While existing policy and economic structures have also excluded or harmed other groups—Latinos and indigenous people in particular—this report focuses on the unique experiences of Black people engaging with Web3 via crypto as an entrypoint.

- *Why does crypto hold a strong appeal for Black U.S. residents?*
- *How are history and recent events shaping financial behaviors today, including purchasing crypto?*
- *How are Black people engaging with Web3, and how are their experiences being framed?*

This report attempts to answer these questions with extensive research, and offers guidance towards building a more equitable and safe Web3 ecosystem.

Key Takeaways

- Participation in crypto is fundamentally altering historic trends in traditional approaches to wealth-building amongst Black people in the United States, with implications for policymaking and industry.

- Narratives around higher crypto adoption rates by Black people should be grounded in an understanding of this activity relative to the history of investment systems available to them.

- Policymakers and builders need to champion products and processes that better enable a greater range of people to safely participate in Web3.

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This report is...

An exploration of the <mark>experiences and motivations of Black people in the U.S. as buyers of crypto</mark> and as a pathway into Web3. *Why are Black people adopting crypto at such high rates? What is bringing them into the space? Which of crypto's value propositions resonates with Black people in the U.S. and why?*

Meant to be used by existing and potential members of the blockchain community:

- **Web3 industry:** To inform considerations of how products are developed and designed, and for whom they are developed. This understanding can inform how Web3 companies and projects are built, funded, and operated.

- **Policymakers:** To understand the needs of people within communities that have been historically marginalized. These learnings can inform policy and regulation that could help democratize access to financial tools and services.

- **Traditional financial industry leaders:** To gain a clearer understanding of the reasons why Black people are drawn to crypto. Use these learnings to better invite and include Black people with offerings and practices that are more equitable.

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This report is not...

An assessment of crypto's viability as a financial tool
Crypto adoption is already occurring at scale within Black communities. This report seeks to demystify motivations and modes of entry, elucidate shortcomings in existing financial services offerings, and inform the design of crypto products that encourage a more equitable Web3.

A critique of financial behaviors
There is an emerging narrative that higher rates of volatile crypto assets bely gaps in education. This simplistic—and even paternalistic—view fails to consider the range of other motivations worthy of attention.

A complete history lesson
To contextualize our findings, this report highlights select historical themes and events that have shaped present financial and cultural attitudes. We encourage you to explore additional resources in the Appendix.

A global assessment
It focuses on the experiences of Black people in the United States using crypto, and emphasizes their perspectives. As such, sampling for field research emphasizes perspectives of people interested in crypto and blockchain technology.

De-jargoning this report

This report uses the term "Black" to describe people within a racial and ethnic group.

This report uses the term "Black" to refer to people because a majority of people in the United States use Black to describe race and ethnicity. Black is also the term used by the Census Bureau in its accounting of the United States population, along with "African American," which is increasingly not used due to characterizations of inaccuracy to describe Americans who have not emigrated from Africa.

Our research found that "Afro-descendant" is also used by some to describe themselves. It is used as a point of pride and resistance to the use of "Black," viewed by some as a derivative of the historic term "Negro" used to describe former slaves. Some people prefer the term Afro-descendent because they feel the name better illustrates their nuanced experience, acknowledging a history of forced movement and creating a new global identity.

The terms used to describe racial and ethnic groups often evolve over time as a reflection of evolving social values, conceptions of power, and historic events.

Afro-descendant

This term refers to a global diaspora of people of African descent and their descendants. The African Diaspora comprises people who voluntarily and involuntarily moved to various parts of the world. In the context of the Americas (including the United States), this term is frequently used to refer to people whose ancestors were forcibly brought to the Americas as a result of slavery. These people and their descendants do not have access to detailed family histories, and terms like Afro-descendent may be used to create new shared history or identity in a completely new world.

"Black" versus "black"

As a result of historic oppression, people of African descent living in the United States have changed the way they refer to themselves. In the 1920s, W.E.B. DuBois insisted that the use of lowercase "N" in "negro" was an insult and that capitalization was a sign of "racial respect." As the name of Afro-descendent people has evolved from Negro to African American to Black, this debate over capitalizing the "B" is ongoing. CRADL follows in the footsteps of DuBois and adheres to AP standards, and use the capital "B" in Black as a sign of respect.

De-jargoning this report

This report uses "crypto" as the entry point for engaging with "blockchain" technology and entering the "Web3" space.

This report operates on a premise that the value propositions of cryptocurrencies often provide a "spark" that gets people interested in the more technical offerings of blockchain as a technology. By engaging with blockchain via crypto, people enter the Web3 space. While this report focuses on crypto as the entry point to blockchain and Web3, many of our research participants used the terms "crypto," "blockchain," and "Web3" interchangeably because they view those terms as broader descriptors of specific technological applications and products, a broader industry, and its culture at large.

Crypto

A digital asset native to a specific blockchain network in which transactions are maintained.

In this report, "crypto" primarily refers to digital currencies, in the context of people's entrypoint into understanding blockchain technology and Web3, motivated by addressing financial goals.

Blockchain

A distributed ledger of transactions which stores data in cryptographically linked batches called blocks.

In this report, "blockchain" is used to refer to any use application of the technology.

Web3

Refers to the industry ecosystem—and culture—calling for a new iteration of the World Wide Web with greater levels of decentralization and involving the use of blockchain networks.

Mural on the exterior of the [Atlanta Blockchain Center](#).

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1 Context

2 What We Did

3 What We Learned

4 Key Takeaways

5 Next Steps

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Adoption of crypto in the United States stands out from other regions in the world.

To understand why Black people in the United States might be eager to adopt crypto, we first need to examine where else crypto has been embraced, and why. What regional and social motivators drive adoption worldwide?

According to a Chainalysis survey, the United States is ranked fifth based on transaction volume per capita. While this indicates high adoption, its ranking behind smaller countries may be surprising given that many crypto companies and their funders are based in the West (even if their headquarters are elsewhere).

Crypto Adoption by Country in 2022

Ranking, Crypto Adoption	Country
1	Vietnam
2	Philippines
3	Ukraine
4	India
5	**United States**
6	Pakistan
7	Brazil
8	Thailand
9	Russia
10	China

Annual ranking by Chainalysis is based on countries' usage of five different types of cryptocurrency services, with transaction volumes weighted by PPP per capita, which is a measure of the country's wealth per resident.

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Crypto has higher adoption in countries with varying types of distress.

Crypto appears to have higher per capita adoption in countries that have experienced some monetary and political distress.

- In these contexts, the appeal of alternative financial instruments and currencies is clear: when local conditions are unstable, people are more open to new solutions.

- In contrast, as the only high-income economy in the top 10 countries with the highest adoption rates, the U.S. has a relatively stable economy and functional economic infrastructure.

Why is the United States an outlier?

- As our Generational Wealth report found, wealth inequality in the United States is stark and growing. This may contribute to individual interest in alternative approaches to building wealth.

The United States relative to Philippines (another country with high adoption)

	Philippines	The United States
Currency	Fiat instability	Stable fiat
Reserve	Peso is not the reserve currency of the world	Dollar is reserve currency of the world
Financial institutions	Moderately functioning financial infrastructure (e.g. difficult to make large transactions)	Overall, functional (albeit exclusionary) financial infrastructure
Equality	Acute wealth inequality	Significant wealth inequality
Political conditions	Acute political and economic conditions, often unstable	Relatively stable political conditions and cycles

Sources: (Above) 2022 Geography of Cryptocurrency, Chainalysis.

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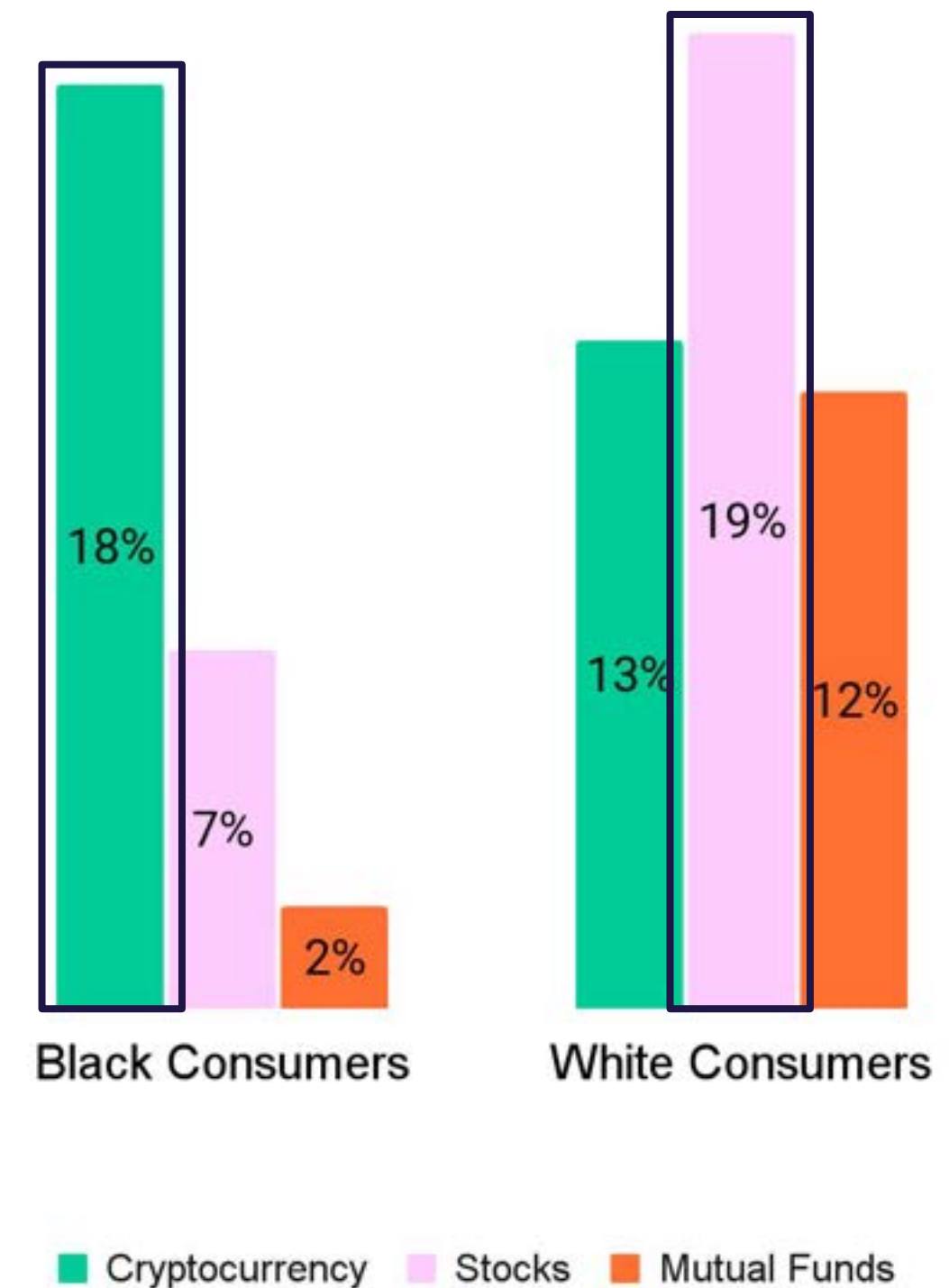# Black people are adopting crypto in the United States at high rates.

This report seeks to explain this phenomenon.

Within the subset of the U.S. population that has engaged with crypto, Black people are amongst the groups leading use of the technology.

- This marks a departure from historic engagement with other financial tools, services, and assets.

- These findings suggest that crypto may be appealing for those historically excluded from traditional financial tools and services.

Sources: (right) 2022 Geography of Cryptocurrency, Chainalysis.

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Consumer's rates of ownership for cryptocurrency relative to traditional financial assets

Black Consumers: Cryptocurrency 18%, Stocks 7%, Mutual Funds 2%
White Consumers: Cryptocurrency 13%, Stocks 19%, Mutual Funds 12%

Legend: Cryptocurrency | Stocks | Mutual Funds

Sources: (Above) Federal Reserve Bank of Kansas City: The Cryptic Nature of Black Cryptocurrency Ownership, June, 2022.

Varying approaches to surveying usage yield different results—but high adoption by Black people and communities is consistent.

Findings across surveys are consistent.

- There are several widely cited surveys focused on who owns crypto. While specific figures vary due to different approaches in sampling and outreach, findings generally converge around Black adoption being high relative to other groups, particularly groups with historically high adoption of other financial assets.

- These findings suggest that crypto may be appealing for those historically excluded from traditional financial tools and services.

A full list of surveys we reviewed is included in the Appendix.

Understanding statistics around high rates of Black crypto adoption

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Participation in crypto is changing the demographics of investing.

Black people's ownership rate of cryptocurrency is higher than stocks or mutual funds.
Historically, Black investors have tended to be fiscally conservative, investing more of their money in low-risk assets such as insurance and savings bonds. As this report will explore, these conditions establish why Black people may find the security and disintermediation of the blockchain technology underpinning crypto more appealing:

- Black people in the U.S. are generally less trusting of the stock market and traditional financial institutions than white people.

- Access to financial tools and services has historically been a challenge for Black people and other non-white communities, systemically and physically. Advances in technology, the growing usage of financial trading apps such as Robinhood, and lower buy-in requirements for crypto products relative to other traditional assets can open doors to opportunity.

The popular narrative of the "crypto bro" is misleading.
Despite the popular narrative of the (usually white) "crypto bro" as the primary buyer, purchasers of crypto assets vary widely in terms of demographics:

- Average cryptocurrency buyer is under 40 (mean age is 38)

- 55% do not have a college degree

- 44% of crypto traders are not white

- 41% of traders are women

- 35% have household incomes of less than $60K annually

Sources: (Above) Federal Reserve Bank of Kansas City: The Cryptic Nature of Black Cryptocurrency Ownership, June, 2022.

Crypto's unique offerings provide a "spark" that brings many people into Web3.

This report explores the "sparks" that are motivating Black people to try crypto.

The first barrier to adoption for any new technology is understanding how a product or service will fit into someone's life and provide value.
Blockchain technology itself may not appear to have an immediately salient use case for people outside the tech industry. However, the value propositions of cryptocurrencies appeal to the unique experiences of Black people in the U.S.

Our report on Onboarding to Crypto explores this concept in more detail.

The Spark

Become aware
A person learns about Web3 or cryptocurrency for the first time.

Why should I use this?

Is cryptocurrency right for me? What problem does it solve in my life? What are the risks?

Decide to get started
A person decides to try to adopt cryptocurrency or a Web3 experience.

ACTION: Buy crypto

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What are we here to answer?

Organizational Questions:

What explains the phenomenon of Black people participating in crypto at higher rates in the US?

■ *Based on what we have learned about why Black people are participating in Web3, what are the implications for policymakers, builders, funders, and other participants?*

Reframed, Human-Centric Questions:

What brings Black people to crypto/Web3 communities at higher rates, and what narratives do they present for their participation in these spaces?

■ *How does participation in crypto via these narratives reflect Black culture, history, and modern experience in the U.S.?*

■ *What are the risks associated with participating in the crypto space as a Black person, individually and systemically?*

Why are we asking these questions?

1. **Crypto is often presented as an alternative to the traditional financial system.**

   Historically, Black people have been excluded from the existing financial system and underserved by financial tools and services. Crypto's new financial ecosystem has been <u>framed as an opportunity</u> to democratize access to financial tools and services, which may help people within historically marginalized communities to build wealth.

2. **The extent to which crypto adoption in Black communities can improve access to wealth-building opportunities must be evaluated.**

   As this report explores, there is outsized adoption of crypto by people within Black communities. This level of adoption represents a significant departure from other financial behavior trends. At the same time, our research observed a high visibility of Black people online talking about generational wealth. *Can this momentum disrupt historic trends of exclusion from wealth-building activity in the U.S. without subjecting people to unwanted and unrecognized risk?*

3. **Industry leaders and policymakers must understand motivations for engaging with crypto if Black people and Web3 builders are to engage with a diverse and robust new financial ecosystem.**

   As this report explores, technology and financial tools and services have historically not met the needs of Black people and communities, creating harm both by design and by happenstance. There is an opportunity to be more thoughtful within this new technology and financial paradigm. Products, policy, and industry can be designed in more considerate ways, to prevent harm and to support Black people in the pursuit of building wealth and engaging more deeply with Web3.

How we acquired the data

Stories in this report are the result of nearly a year of CRADL's research. Black experiences in and motivations to learn about purchasing cryptocurrency have also surfaced in our Generational Wealth and Onboarding reports.

1. **We conducted a rigorous review of existing literature on historic experiences of Black people in the U.S. financial system, and Black people's experiences with crypto adoption today.**

   - We performed over 80 hours of desk research to better understand the historical and contemporary events that influence Black communities' motivations and needs in financial services and tech.

   - We reviewed more than 20 recent articles, studies, surveys, and reports that discuss Black communities' adoption of cryptocurrency at high rates, and over 120 pieces contextualizing the drivers of adoption.

     - These can be found in the Appendix at the end of the report.

2. **We consulted with Black community leaders and experts.**
   Throughout the data collection process we periodically reached out to people in our network to better understand our findings. They gave us crucial insight into how best to tell a nuanced and complex story. We are grateful to:

   - Kenyatta Cheese

   - @bitgallery1

   - Lucy Edosomwan

   - Asher DeMadet

   - Jordan White

   - Emanuel Perez

3. **We conducted extensive inquiry in-field.**
   Our research team attended events and conducted interviews in person and via Zoom with a number of people and organizations in the cryptocurrency and Web3 spaces. These research activities sampled people and events across the country, and individuals working in Web3 and in other occupations. Our sampling focused on those with experience engaging with crypto and blockchain; as such, sampling for field research emphasized perspectives of people who see value in use cases for blockchain technology.

   This in-field experience included:

   - 30 builders and community leaders

   - 5 individual crypto buyers of varying socioeconomic status

   - Attendees at 8 events

   - 5 online social media spaces where Black crypto activity occurs

   See the Appendix for bios of all research participants.

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December 2022 | cradl.org

Our research unearthed five insights around Black people's participation in crypto.

INSIGHT 1

The generational financial trauma (GFT) of Black people in the United States can shape their engagement with financial systems.

To understand why people are motivated to buy alternative digital assets (particularly volatile ones), it's critical to understand the traumatic impacts of historic and ongoing economic policies and practices that shape financial behaviors today. Many Black Web3 spaces foster dialog centered on crypto as a tool for building wealth. Despite the risks inherent to any new asset class, this emphasis on embracing new financial tools outside of existing financial systems can be viewed as a proactive approach to addressing GFT.

INSIGHT 2

Much of Black people's receptivity to the proposition of blockchain tech is rooted in commonly cited themes of liberation, technology, imagination, and the future.

Sovereignty, security, and technology as a tool for reimagining a better future are all themes with rich cultural precursors in the Black experience—and within Afrofuturist frameworks—that predate blockchain and cryptocurrencies. Blockchain's key offerings echo these traditions, priming blockchain to be seen as a technology to enable the goals of self-sovereignty and wealth-building.

INSIGHT 3

Black people are optimistic about the potential for blockchain to improve their quality of life.

For many Black people, blockchain feels like an opportunity they've been imagining and anticipating.

Key offerings of crypto and blockchain resonate deeply with cultural precursors for change and speak to unmet needs created by GFT.

INSIGHT 4

Risks associated with buying crypto can be magnified for Black people.

There are risks for all engaging in crypto and Web3. However, historic exclusion from the financial system, generational financial trauma, and the dynamics of the Web3 industry converge to magnify risks for historically marginalized community members.

INSIGHT 5

Risks of early participation in crypto are especially high for Black communities.

To ensure the crypto financial ecosystem is an equitable space, the crypto industry and policymakers must include Black people in positions of decision-making power in the design of policy and products.

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Insight 1

The generational financial trauma (GFT) of Black people in the United States can shape their engagement with financial systems.

Insight 1 The generational financial trauma of Black people in the United States shapes their engagement with financial systems.

What is generational financial trauma (GFT)?

GFT is the cumulative harm that people have experienced **historically** and through the **present day**, through financial behavior, and in social, health, and relational outcomes.

GFT is both a ripple effect and a continuing issue, reproduced for each generation.

Sources:
We were introduced to the concept of generational financial trauma by Nea Simone, founder of Melanated Studios. More resources on this topic can be found in the Appendix.

GFT combines three fields of psychological research:

1. **Generational Trauma** (aka Intergenerational Trauma) - The phenomena of expressions of trauma being passed down generationally within families. First discussed in the 1960s in the context of Holocaust survivors, leaders such as Resmaa Meneken have expanded the conversation to include the role of racism in intergenerational trauma.

2. **Historical Trauma** - Native American social worker and mental health expert Maria Yellow Horse Braveheart defines historical trauma as "*cumulative emotional and psychological wounding, over the lifespan and across generations, emanating from massive group trauma.*" For Black people, the trauma of chattel enslavement and subsequent events transmitted through successive generations cannot be underestimated.

3. **Financial Trauma** - Scholar Chloe B. Mackenzie defines financial trauma as a response to the cumulative harming of a person's wealth-building capability caused by events, actions, policies, and cultural messages that reinforce a person's socioeconomic condition or positioning. Financial trauma responses can manifest in various ways like stockpiling food or hyperfrugalism.

Insight 1 The generational financial trauma of Black people in the United States shapes their engagement with financial systems.

GFT provides a non-judgemental way to discuss the realities of systemic financial barriers.

GFT examines the structural challenges to building wealth in ways that:

- Remove blame from the individual

- De-stigmatize poverty and debt

- Recognize the role of trauma in decision-making

GFT connects behaviors and belief systems of individual people to more complex and communal experiences.

From storing cash underneath the mattress to distrust of financial institutions and proclivity for economic conspiracy theories—many of these behaviors and beliefs are often shared by multiple members of a family and/or community.
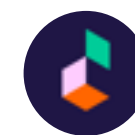
CRADL's report, Investigating Generational Wealth: Current Challenges and How Crypto Can Help, describes how policies have increased barriers for marginalized communities to build wealth and how existing financial tools can prevent wealth building.

Insight 1 The generational financial trauma of Black people in the United States shapes their engagement with financial systems.

Many Black people experience GFT when interacting with financial systems.

Many Black people and communities experience GFT.

Many Black people have experienced a specific type of GFT that can make them more receptive to new financial tools and services.

The following slides explore how Black people have attempted to build economic institutions only to be quashed, further contributing to GFT.

GFT is ever present in the experiences of people with whom we spoke.

"The consumer mentality [is a result of] **generational financial trauma…when you finally get money, you go out and just spend it, because you don't know what to do with it.** *You have not been trained."*

Nea Simone
Founder of Melanated Studio in an interview with CRADL

"There is no point at which your financial status neglects that intersection of Blackness and I'm aware of that, but also **you can get much safer if you got more zeros and commas***."*

Xaxum
Writer and Parent, in an interview with CRADL

"Politicians constantly give you this one thing: jobs, jobs, jobs. As though that is going to solve everything. But as we know we can get fired from a job, laid off from a job, and COVID is now here. **The security is just so thin.***"*

Ingrid LaFleur
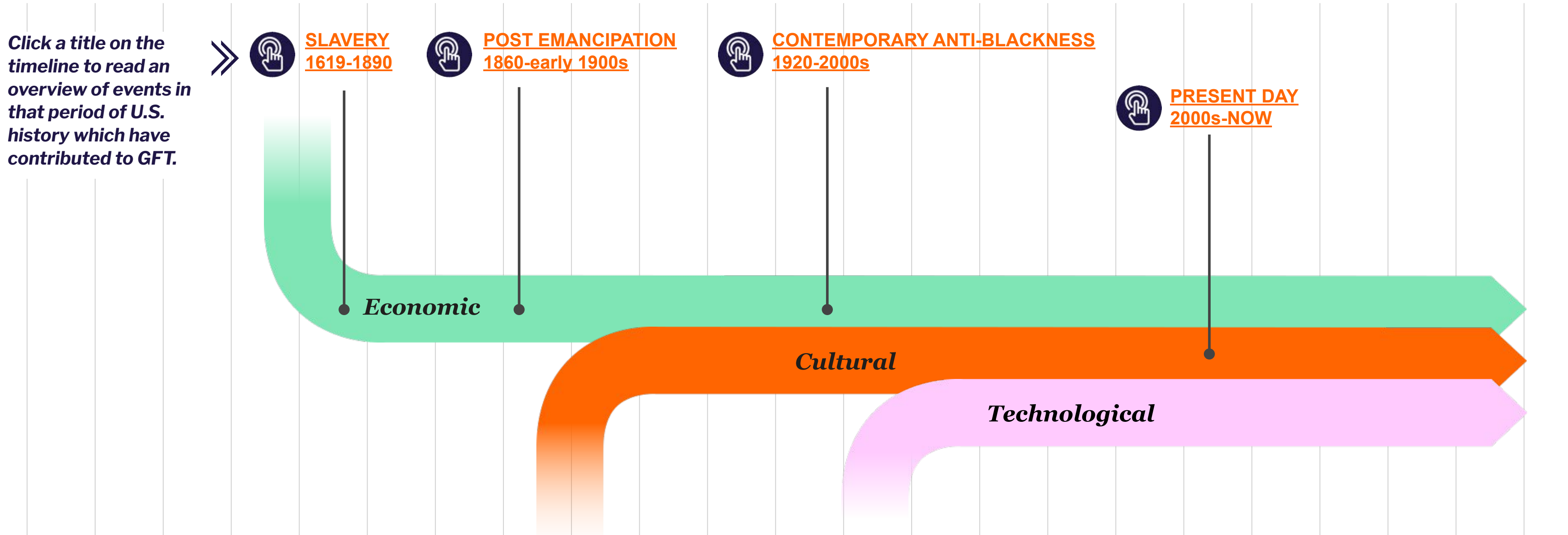Founder of The Afrofutures Strategies Institute, in an interview with CRADL

"There's a lot of talk about sovereignty, freedom from the U.S. dollar, freedom from inflation, inflation is slavery… **I don't know how I can talk about banking without also talking about history***."*

Charlene Fadirepo, Founder of GuideFi, formerly with the Federal Reserve's inspector general's office, speaking to Time Magazine

Black people have been experiencing over 400 years of GFT in the form of discrimination, erasure, and exploitation.

Click a title on the timeline to read an overview of events in that period of U.S. history which have contributed to GFT.

**SLAVERY
1619-1890**

**POST EMANCIPATION
1860-early 1900s**

**CONTEMPORARY ANTI-BLACKNESS
1920-2000s**

**PRESENT DAY
2000s-NOW**

Economic

Cultural

Technological

The events described in the following slides build upon a rich body of research conducted by other scholars, also examined in our recent report exploring Generational Wealth. Please refer to the Appendix for a list of additional resources on the historical events described here.

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Insight 1 The generational financial trauma of Black people in the United States shapes their engagement with financial systems.

As a response to historical and contemporary events, GFT reinforces itself in people's lives into the present day.

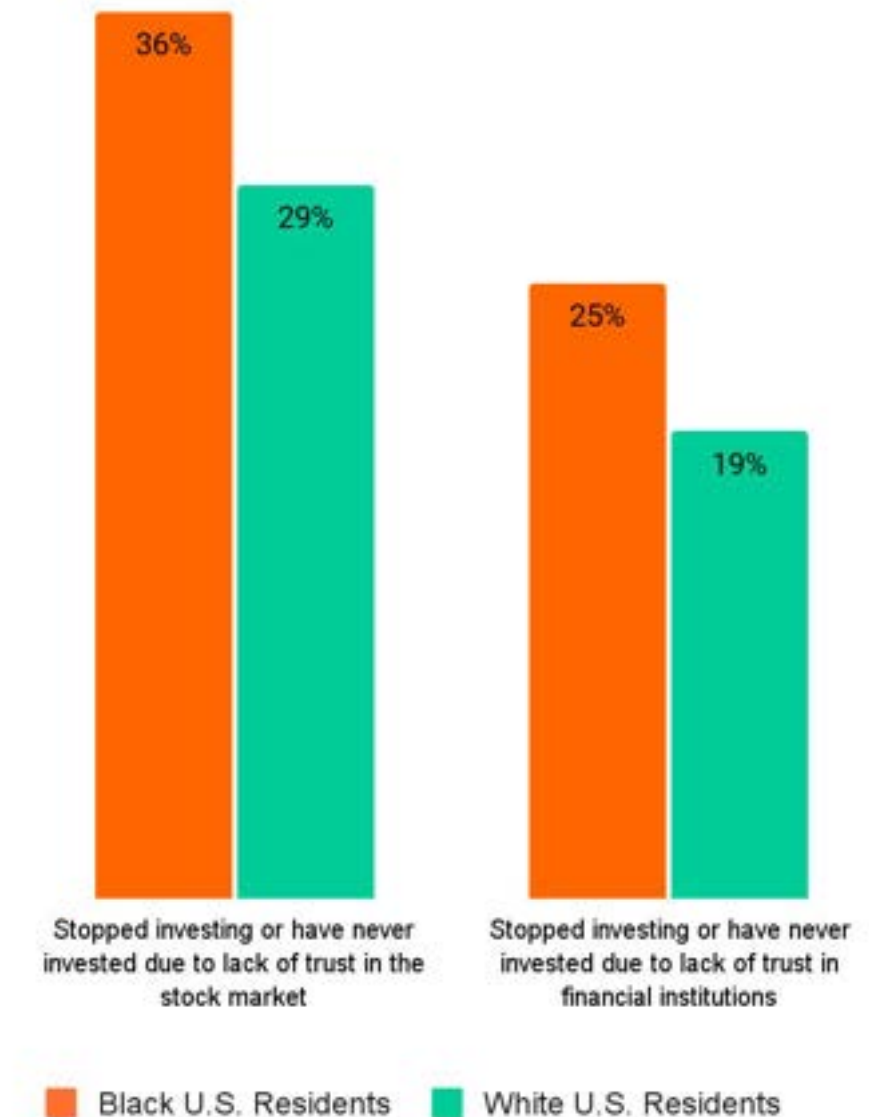**GFT dramatically impacts economic, social, and health outcomes for Black people.**

- As a result of trauma, Black U.S. residents experience worse socioeconomic conditions and significantly higher stress than other racial/ethnic groups.

- This manifests in a range of life domains including financial hardship, strained relationships, and job discrimination.

- These stressors have been predictive of health outcomes including decreased life expectancy and birth outcomes, depressive symptoms, poor self-rated health, functional physical limitations, and chronic illness attributable to generational trauma.

- In addition to creating harm at the systemic level, GFT can also shape mindsets around personal financial activity, contributing to what has been called a "sharecropper mentality" that can stifle wealth-building.

GFT is reflected in how Black people make wealth-building decisions via traditional financial vehicles.

For example, Black people in the U.S. are less likely to invest in traditional financial products due to mistrust created by a legacy of exclusion by financial institutions and systems.

- Historic exclusion has created conditions in which many Black people do not trust financial institutions.

- This earned mistrust can deter people from seeking new opportunities to build wealth.

- This earned mistrust holds true even amongst investors who meet the account requirements held by financial services providers—but are unwilling to meet people where they are.

Trust and Approaches to Financial Planning

36%

29%

25%

19%

Stopped investing or have never invested due to lack of trust in the stock market

Stopped investing or have never invested due to lack of trust in financial institutions

Black U.S. Residents   White U.S. Residents

Source: Ariel-Schwab Black Investor Survey, 2022

Some Black people cite crypto as a tool to end the cycle of GFT.

"It's really important for us—as African-Americans who've had generational wealth stolen—that we get in on this before they figure out other ways to try to keep it from us."

Shawn Wilkinson, Co-Founder Storj Labs, *in an article speaking to* Protocol.com

"With bitcoin, I could pass it down generation, for generation, for generation. That gives me a foundation now that I could take off and build on top of."

Lamar Wilson, Co-Founder Black Bitcoin Billionaire

"I coined the term 'NFT is the answer to GFT.'"

Nea Simone, Founder of Melanated Studios, in an interview with CRADL describing her 2021 essay introducing the term

Black people with whom we spoke also worry about the potential of crypto to further GFT.

Mistrust of institutions

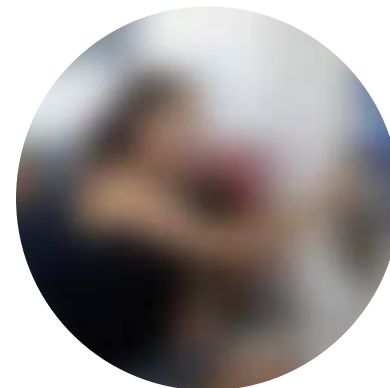*"Can we trust it now that BlackRock has moved in [to Web3]?"*

Lucy Edosomwan, an educator who advises her parents on investments

"It's only a matter of time before the old financials move in."

Shawn, a retail crypto purchaser

Fear of losing everything (again)

"Crypto is dropping, pull everything out."

Jasmine, a retail crypto buyer on her mother's reaction to the market's volatility

Skepticism of the new

In reference to her first impression of crypto: *"Insidious technology"*

Nea Simone, founder, Melanated Studios

Not being taken seriously

"They [the banks] didn't want our money."

Anonymous Interviewee

Being taken advantage of

"We need to see ourselves as investors, consistently—not consumers."

Prophytes Divine Nine Event

Black creators are turning to Web3 in response to digital platforms reinforcing GFT.

*"The **platforms have notoriously retained all the value, and have made us sharecroppers on the platforms**. There would be no Vine without talented Black youth in the South...the creator economy is definitely led by those who will generally see no parts of the value that these companies are able to create...*

We got to think about infrastructure in Web3. I'm not just building an NFT project, right? I'm building an NFT platform."

James Andrews

While Black creators pioneer cultural breakthroughs on digital platforms, they seldom benefit from their own innovations (or benefit less than their white counterparts). Many of the Black creators we interviewed view Web3 tools as an opportunity to retain their rights and earn profit.

Refer to the Appendix for a review of how digital platforms have exploited the data of creators, and in particular Black talent.

James Andrews is the founder of Creator Mode Studios, a startup factory and brand advisory. Andrews is from Oakland, California, and now resides in Los Angeles.

Summary

- **Narratives around higher crypto adoption rates by Black people should be grounded in an understanding of the historic and present day investment systems available to them.**

- **A historic accumulation of financial harm affects people's financial and emotional experiences in the present.**

- **A failure to recognize generational financial trauma in the design of financial tools and services can inhibit adoption and successful use, because the barriers for those experiencing GFT may be different from other barriers to entry.**

Policymakers:

- *How are you engaging Black people and communities in policy discussions related to crypto and Web3 regulations?*

- *How can policies enable access to new financial tools?*

- *How can disclosures reduce risks for historically marginalized groups?*

- *Are there opportunities for public entities to streamline operations and information management, making more resources available to serve the most vulnerable?*

Web3 Industry:

- *How are you intentionally engaging Black people in the development of your products?*

- *How can you design products and services that are culturally sensitive?*

- *What barriers (if any) present in the existing financial industry are being replicated in your products?*

  - *How are you assessing for these barriers?*

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Insight 2

Much of Black people's receptivity to the proposition of blockchain tech is rooted in commonly cited themes of liberation, technology, imagination, and the future.

In our research, Black people's motivations for learning about cryptocurrency and blockchain centered on four key themes.

Liberation

The Future

Imagination

Technology

Liberation shows up as theme in the ways Black people relate to blockchain.

Building wealth is a prominent theme in online Black spaces centered on cryptocurrencies and enabling blockchain technology. The promises of the crypto financial ecosystem and its enabling blockchain technology are frequently cited as avenues to achieving liberation from the inequity of the dominant financial system.

*"The thing about freedom is that it spreads quickly. When people realize how they can get free, people will do things to try to get more free. A lotta people see all of these cryptocurrencies and they go, **'One of these things can make me free.'"***

Lamar Wilson, in an interview with MSNBC

*"**Web3 is how the people are going to be liberated.***

Throughout history [Black people] have the natural resources, but it's someone else who owns it, makes the big bucks off of it, we take the pennies on the dollar. Crypto and Web3 are a way for us to be able to take the ownership and be able to make the full amount of dividends from our own creation naturally."

Nile Ferell, founder of the Nu Africa Foundation, in an interview with CRADL

*"Financial **liberation** is having options."*

Tavonia Evans, in an interview with CRADL speaking in reference to the value of Web3 tech

Black people often reimagine the future when talking about blockchain.

Blockchain is used as a starting point to imagine a future defined by radically different power and economic structures. Specific uses for blockchain cited included more fair compensation and a decentralized distribution of power and accounting of records.

*"Web3 is a direct response to Web2 and tycoons taking everything…Web3 is about **dispersing what's accumulated**." [in terms of wealth and power].*

Alicia Cepeda Maule, CEO of givepact, in an interview with CRADL

*"Hyper-individuality has mainly guided perceptions about blockchain, along with the belief that the technology exists to allow individuals to circumvent financial institutions and governments. Although this is somewhat helpful, Black communities partially depend on the state to overcome oppression from institutions and individuals. Instead, **blockchain is better understood for the Black community as a site of collective action and accountability that allows for people power** with/without the context of the state."*

Nishani Frazier, Associate Professor of History & American Studies, the University of Kansas, Black Blockchain: The Future of Black Studies and Blockchain, 2021

Imagination plays a large role in the ways Black people relate to opportunities afforded by blockchain.

Dialogues around blockchain are building new folklore and mythology within the space to support thinking about new realities. In many cases, this mythologizing builds upon existing folklore and history to reimagine the potential of blockchain technology.

*"**I [had] dreams of a sovereign nation.** And it was an extension of the dream that [Marcus Garvey] had. **It literally was like blockchain**…"*

Nile Ferell, founder of Nu Africa Foundation, on the premonitions he had that inspired him to learn about blockchain

*"**We say that Satoshi is Black**."*

Sinclair Skinner, co-founder of BitMari, speaking to the mythology surrounding Satoshi, the fabled creator of blockchain technology

Source: Black Blockchain Summit

*"We want to use hip hop as a mental model. **We can actually bring forth principles within hip hop that apply to Web3**: Community, Technology, Collaboration, and Finance."*

James Andrews, founder of Authenticated, at the Consensus 2022 Web3athon Re-Imagination Session

Enthusiasm about <mark>technology</mark> as a tool for a better future is prevalent in the ways Black people relate to blockchain.

Blockchain-enabled technologies, as the vanguard technology of today, are frequently cited as tools to deliver on goals for improving quality of life, financial equality, and distributions of power.

Blockchain was "...**created as a neutral technology** with one objective—**to remove the power from individuals in making decisions.**"

Marlon Williams, Founder of Atlanta Blockchain Center

"**System-disrupting technologies** like blockchain and cryptocurrency **offer possibilities for self-determination.**"

Ingrid LaFleur, Founder of The Afrofuture Strategies Institute

"What we really need to be doing is to now **utilize the technology behind blockchain to enhance the quality of life** for our people."

Christopher Mapondera, Inside the World of Black Bitcoin, Where Crypto Is About Making More Than Just Money, 2021

People we interviewed and observed online framed their experiences with blockchain in terms aligned with key Afrofuturist themes—even if they didn't refer to the term "Afrofuturism" directly.

Our research design did not consider Afrofuturism as a starting point for understanding interest in crypto, but key parallels emerged via the fieldwork.

- In our conversations with people about their experiences with crypto and blockchain, themes emerged around liberation, imagining new futures outside of existing systems, and using technology as a tool.

- Most people we spoke with did not mention Afrofuturism—but heavily referenced the primary themes addressed in Afrofuturism.

- Others we interviewed made explicit connections between Afrofuturism and blockchain, citing it as a key reference point for their entry into Web3.

Afrofuturism envisions Black spaces free from the oppression created by "traditional" spaces.
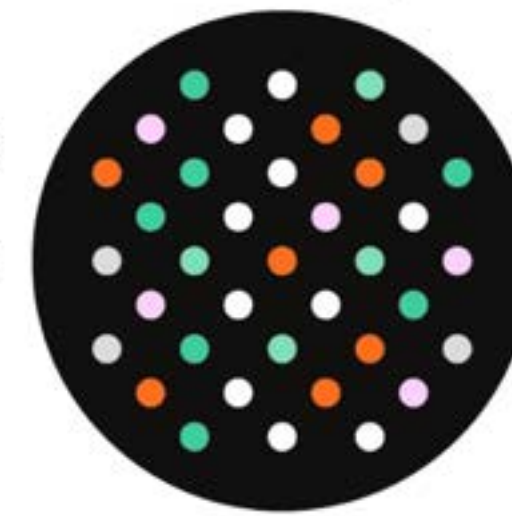
Black-dominant spaces create space for anyone within them, in which people can build, grow, and operate on their own terms. Within an Afrofuturist framework, people are encouraged to think critically and problem-solve by imagining a future where Black people do not experience systemic oppression.
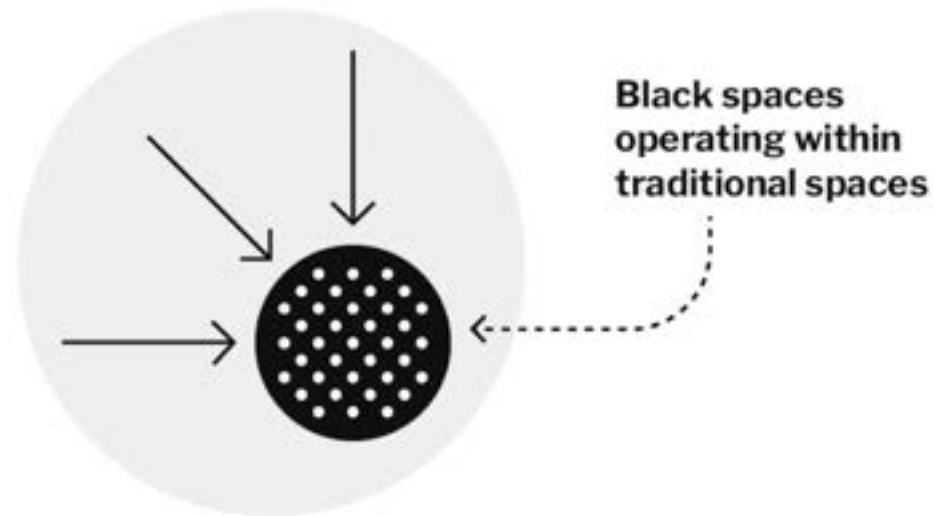
Afrofuturism provides a framework for translating desired change into reality.

Through radical imagination, Afrofuturism creates a framework for understanding the bridge between possibility and actionable change.

Afrofuturist frameworks for interpreting the past and future are also key themes in blockchain narratives:

Liberation   The Future   Imagination   Technology

Click on the highlighted themes above to learn more in the Appendix about how the Afrofuturist lens shows up in popular culture.
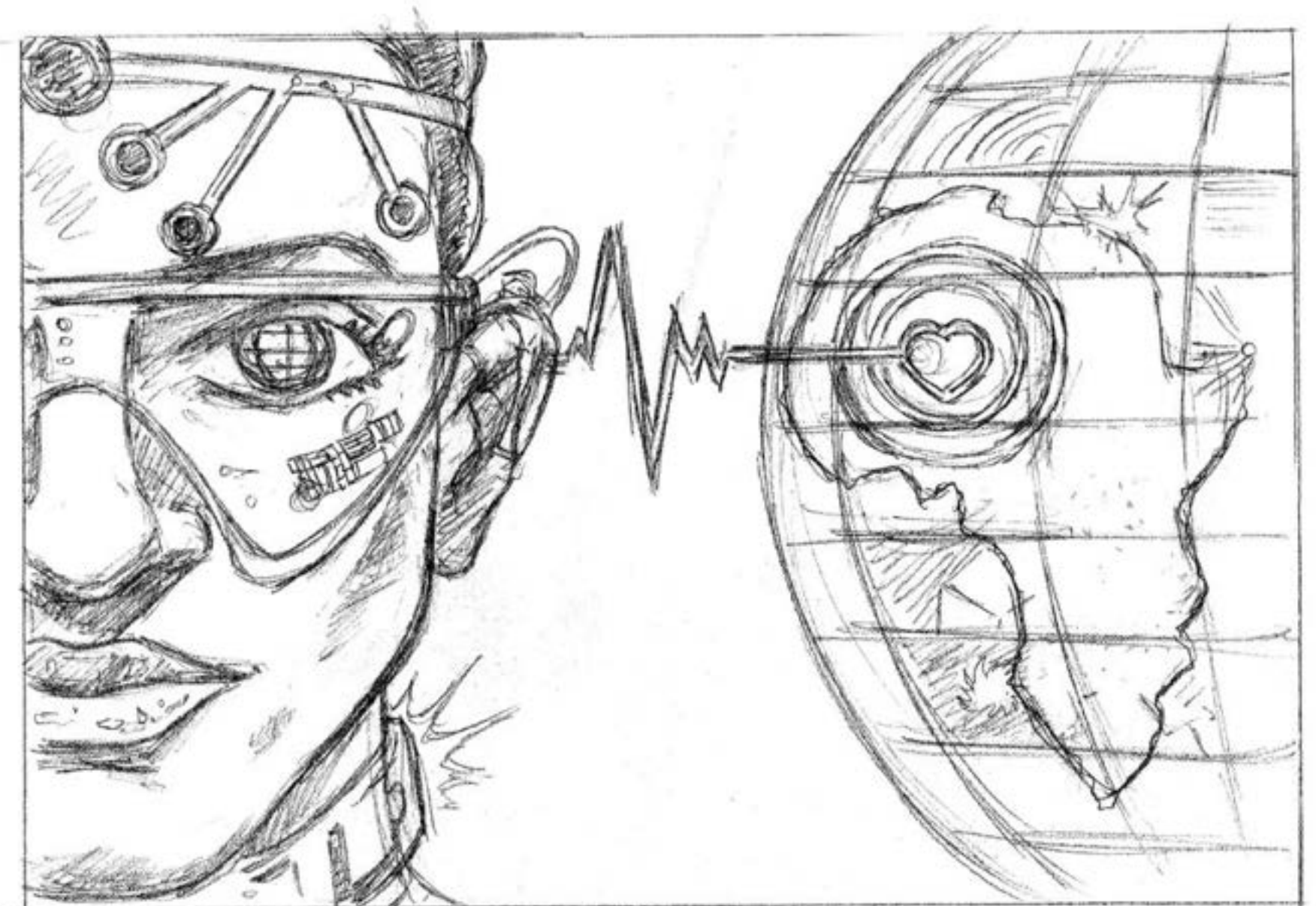
MIND / GLOBAL PULSE

Source: Journal of Future Vision Studies: Engaging the Black Ethos: Afrofuturism as a Design Lens for Inclusive Technological Innovation, December, 2019.

Field Story

Ingrid LaFleur sees Afrofuturism as a practical lens for actionable change.

Ingrid LaFleur studied to be an art historian and began her career at the Museum for African Art in New York City, but soon after felt compelled to move back to her hometown of Detroit.

Invested in her city's future, Ingrid founded Afrotopia to develop Afrofuturist strategies to empower her community. The experimental creative platform explores Afrofuturism to imagine a better future in Detroit through art festivals, curated film series, exhibitions and workshops.

As an ardent Afrofuturist who believes in imagining solutions and claiming agency to the future, LaFleur decided to run for mayor of Detroit in 2017. Her visionary plan identified technological solutions to address multiple critical issues, including the proposed creation of a cryptocurrency intended to provide a universal basic income for city residents.

Seeing the potential of blockchain as a social impact tool, she became the Chief Community Officer of EOS Detroit, a node of Detroit Ledger Technologies, which creates tools for financial inclusion and community growth by operating a suite of blockchain-enabled services. In 2020, she founded The Afrofuture Strategies Institute to research the impact of emerging trends in technology, economics, politics, and science on Black bodies.

"As an Afrofuturist, I have a responsibility to make sure that my people understand all emerging tech that is coming forward and affecting them."

Ingrid La Fleur, Detroit

Summary

- **Cultural narratives drive behaviors and mindsets; these narratives must be understood to contextualize the adoption of new technologies and applications.**

- **Longstanding cultural precursors resonate with blockchain's offerings, priming Black people and communities for receptivity to crypto.**

- **Using Afrofuturist frameworks, crypto adoption can be viewed as a proactive approach to healing GFT.**

Policymakers:

- *How can you ground policy approaches in an understanding of people's cultural motivations for adoption?*

- *How can you demonstrate to intended beneficiaries of policies a genuine recognition of the effects of systematic exclusion and how the policies will address that exclusion?*

Web3 Industry:

- *How are you engaging Black people and communities in the development and creation of products that will be marketed to them?*

- *How do you demonstrate diversity, equity, and inclusion if these attributes are not evident in the composition of your teams, boards, and committees? How do you measure these attributes in terms of outcomes?*

- *How can new mechanisms in tokenomics incentivize onboarding, collaboration, and network-building by creating shared investment goals?*

- *What new forms of co-investment and community engagement can be created with Web3 products?*

Insight 3

Black people are optimistic about the potential for blockchain to improve their quality of life.

For many Black people, blockchain feels like an opportunity they've been imagining and anticipating.

Blockchain feels like an opportunity to rewrite the rules.

- Black people see blockchain as an opportunity to create new systems in which they can financially thrive.

- Black people view the decentralized blockchain as granting them freedom that they do not have in traditional systems and institutions.

Blockchain speaks to a need for security.

- Some Black people see blockchain as an opportunity to own something that cannot be taken away.

- Many of the people we spoke to believe blockchain technology can secure access to ownership via immutable records of holdings, which may mitigate the mistrust Black people feel toward traditional financial institutions.

- When it comes to growing and protecting their assets, Black investors in traditional financial products are less trusting of people (32% vs. 45%) and more trusting of technology (31% vs. 21%) than white investors.

Blockchain feels more accessible than other financial tools and services.

- Blockchain does not have academic, financial, or governmental barriers that often gatekeep valuable technical knowledge for those who may be ready to engage with financial tools and services.

- Blockchain is a relatively accessible technology; anyone with internet access and a desire to learn can engage with the technology, though there may still be educational barriers to safe engagement with crypto financial products.

Many forces are converging to create interest in and optimism about blockchain technology in Black communities.

Economic

Cultural

Technological

Optimism about blockchain
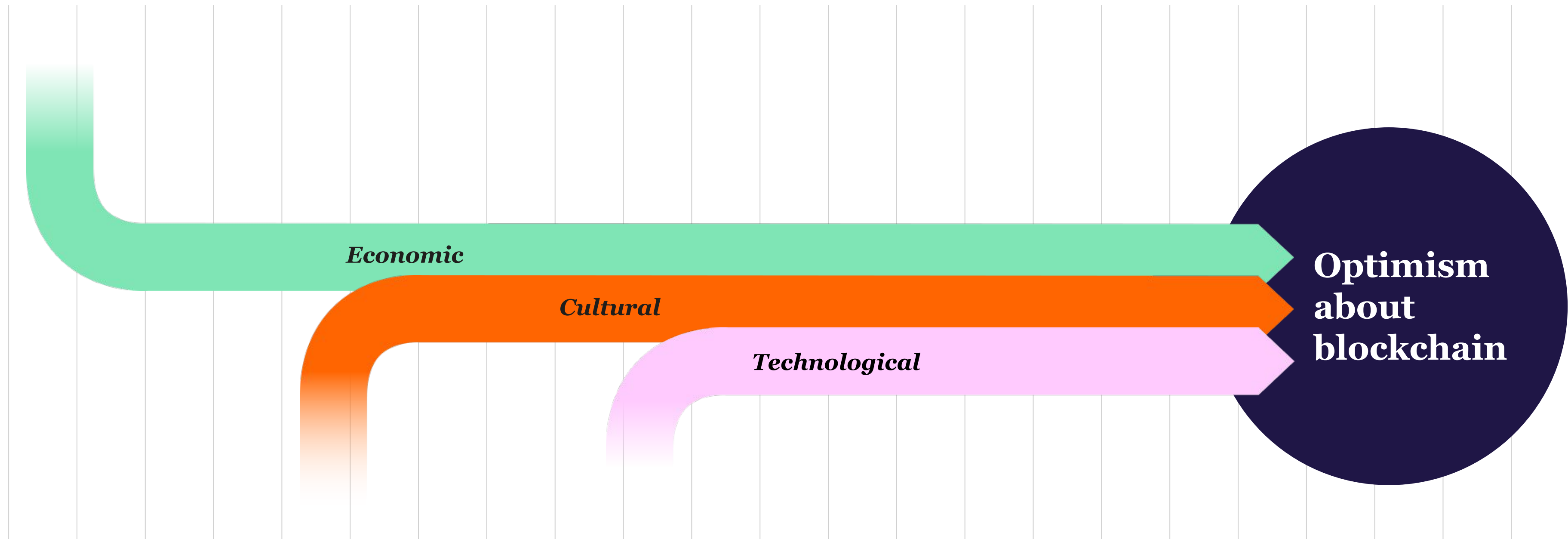
[Click here](#) to revisit the timeline of events contributing to GFT and present day interactions with the financial system.

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"*If your people had 200 years of being property, followed by 150 more years of being denied the reasonable opportunity to amass property...* **could you ignore it**?"

Rashan Colbert

Head of Policy for dYdX Trading and former advisor to United States Senator Cory Booker (D-NJ)

Blockchain features resonate with quality of life needs defined by Black people.

While quality of life needs are universal, there is a particular expression of these needs in the context of Black people's experiences. Much of the discussion in Web3 spaces around buying crypto and engaging with the enabling blockchain technology centers on healing from GFT.

The appeal of blockchain features	
Quality of life needs	**Appealing blockchain features + ideals**
Financial security As documented in the insight on GFT, the ability to secure one's assets is a central need that has been systematically denied to Black people.	■ Immutable ledgers and records of ownership ■ Decentralization of control away from a single organization or person (for avoidance of oppression or bias) ■ Pseudonymity
Freedom (aka sovereignty or self-determination) As noted in the insight on Afrofuturism, the ability to live free of harm and to have the full exercise of one's rights, personhood, and future is a need that Black people have fought for, and continue to fight for.	■ Decentralization ■ Independent control of cryptocurrencies ■ The ability to be one's own bank or validator ■ The ability to create one's own currency and financial ecosystems
Community Given that large institutions (governments, economic systems, etc.) have been the source of past and present-day harm, the role of community as a refuge and source of empowerment is a foundational need for Black people.	■ Independent Web3 communities focused on wealth-building opportunities ■ No legacy institutional gatekeepers; community leaders perceived as more trustworthy ■ DAOs and DACs provide frameworks for formalizing collective actions

Though they have special significance to Black people in the U.S., these universal quality of life needs are widely recognized, including in documents such as the Universal Declaration of Human Rights.

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Financial Security

"Web3 decentralization allows you to be in a position to be able to really maintain your wealth, to be able to determine where it goes, and how it is used to enrich our communities and quality of life."

Nea Simone, founder of Melanated Studios

Nea Simone is the founder of Melanated Studios, the first Black woman-owned blockchain creative services agency. Melanated Studios focuses on making Web3, NFTs, and the Metaverse accessible to creators from the global African diaspora. Its goal is to help creators capitalize off of their work using NFTs and smart contract technology, to take control of their creative output.

Source: Thrive Global

Freedom

"[Blockchain]...is the next evolution. You can be your own record label. You could be your own art gallery. You could distribute your own music. **You could distribute your own products, goods and services. You can be your own bank.**"

Nile Ferell, founder of the [Nu Africa Foundation](#)

Nile is an educator who teaches a course on the value of cryptocurrency, using a fictional writing practice based in Afrofuturism values. Through his course and his nonprofit, the Nu Africa Foundation, Nile enables people to change their lives with blockchain technology and thus shifts their relationships to existing power and economic systems.

As part of our research for CRADL's report on [Onboarding in Cryptocurrency](#), the team attended Nile's course. Read more about our case study of Nile here in the [Onboarding Report](#) (page 58).

Source: CRADL photo of Nile Ferell giving a workshop.

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Community

"I think that DACs [decentralized autonomous cooperatives] are not only a way to be with community, but you get to create your own currency based on your own values and how you want it to move."

Ingrid La Fleur

As detailed in our earlier case study, Ingrid is a technologist, artist, and activist leveraging technology to support community development goals. As the founder of the The Afrofuture Strategies Institute and a self-identified Afrofuturist, she views it as her responsibility to ensure that technology benefits her community.

She views blockchain and crypto as opportunities to support community goals, including community currencies that reflect hyper-local priorities.

Source: Friends of Friends Twitter, 2018.

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Black people have different approaches to crypto depending on the problem they want to solve.

In our research, we spoke with a range of people approaching crypto as a solution to improve their quality of life. The most common reasons cited for engaging with crypto were to:

- **Build wealth:** Some people we spoke with were highly motivated by the potential for large returns from buying crypto.

- **Diversify holdings:** Others saw crypto as one prong in a diversified approach to a long-term financial strategy, alongside more traditional investments.

- **Participate in an alternative financial ecosystem:** People we spoke with saw crypto and blockchain as tools to operate outside of existing systems, or to fundamentally rebalance structures of power.

- **Engage with community around mutual goals:** Whether they found communities within Web3 helpful or not, nearly everyone we spoke with considered their relationship to other Black people entering the space and engaged with their communities to receive or provide guidance to peers.

Though all of the people profiled on the next pages value crypto for different reasons, everyone saw it as a tool for redressing GFT.

Field Story

Shawn is excited about crypto's potential to reshape existing power and financial structures.

"There's no reason why we should live like this..."

**Achieving financial liberation for his family**
Shawn is eager to grow his financial stability and provide for his children's future. He hopes to save enough to retire early. *"I am in the process of working for full financial freedom in the next five years...while I educate myself [about] the things that can free me."* Shawn views crypto as part of his broader savings and wealth growth strategy.

Altering power structures that harm Black people
Shawn cited crypto's potential to fundamentally change existing power and financial structures as another part of its appeal. He has an educational background in metaphysical studies that informs his understanding of cryptocurrencies. *"**I see [cryptocurrencies and NFTs] as tools that our mass consciousness creates to free us** from going down a particular road, with a small group wanting to control the masses."*

Building stronger community
When asked about disproportionately high adoption rates of crypto within Black communities, he noted: *"That is very good news...It's the rubber band effect. **If you hold a rubber band back it's going to come forward with more force. We've been held back in so many areas.**"* Shawn described himself as a community leader in his social circles, giving financial and technological advice. *"I'm always up on the latest technology...I share it with my friends so they can come along."*

Click the button or the image above to view the video.
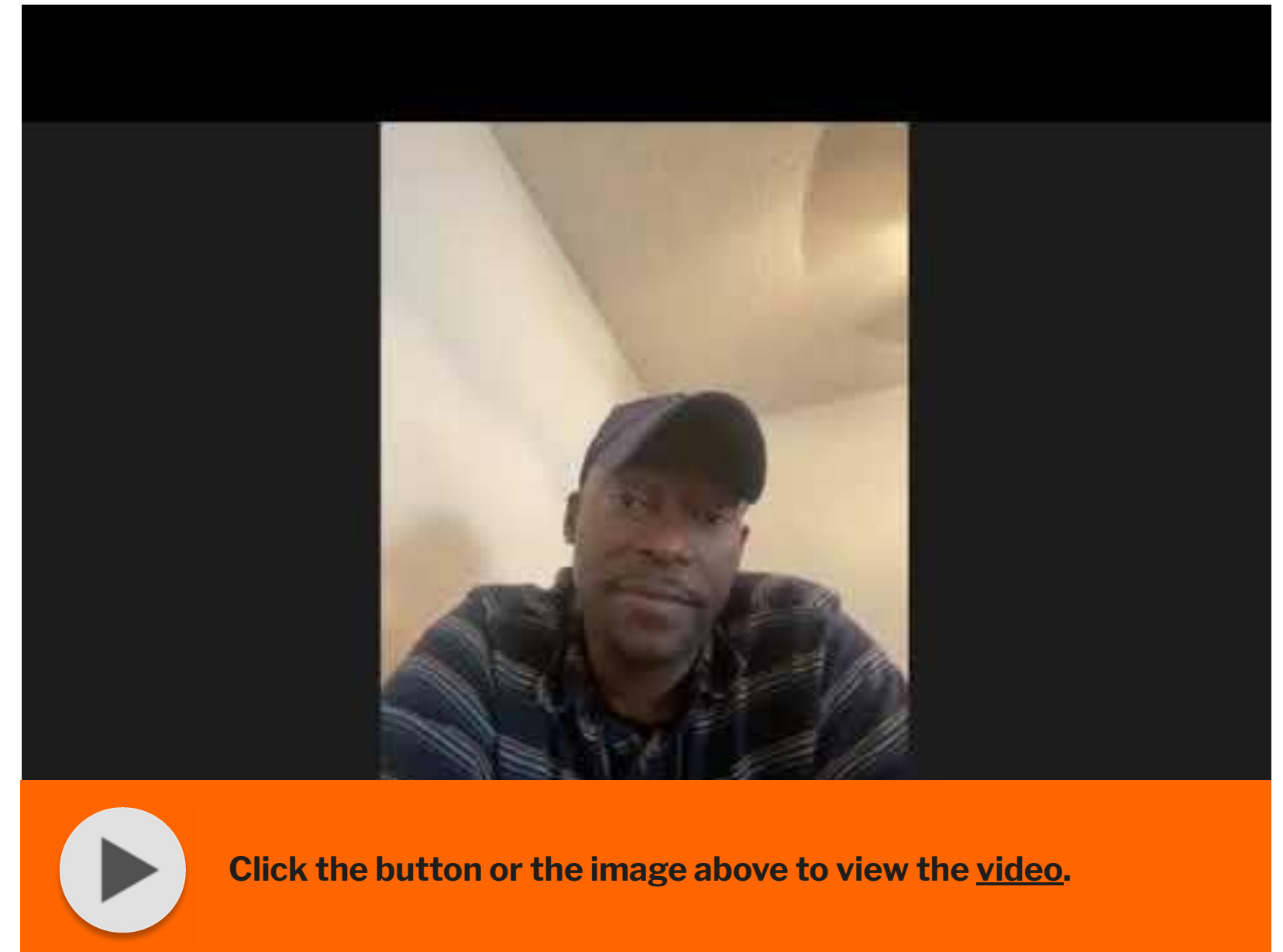
Shawn, Phoenix, Arizona
Shawn is a single father of two who moved to the U.S. from Antigua at 16. Residing in Arizona, he has worked for over 10 years at a major airline, though he previously worked at a bank where he was first exposed to investing through bonds he received as benefits. After a workplace injury jeopardized his financial situation, Shawn's highest priority became planning for his children's financial future, to ensure they get the head start he never had.

Field Story

Crypto was Jasmine's entry point to longer-term financial planning, and today she sees it as one of many tools to build wealth.

*"**2017 was the first time [I bought crypto] and that's been helpful, personally, in building wealth**. Not that I'm extremely wealthy, but...it's something that I'm happy that I did."*

Evaluating financial risks to build long term security
Jasmine believes in individualized approaches that consider peoples' financial and social situations. She felt comfortable making her first crypto purchase because she received guidance she trusted from her partner. Today, Jasmine sees crypto as part of a longer term financial planning strategy. She has since diversified her holdings and approaches to building wealth, and owns a home. She also views crypto as providing additional security against macro instability. *"I actually believe that **I'll need to use bitcoin later as an actual currency**."*

Considering the risks of building new financial communities
While crypto has helped her build wealth, she would caution others not to follow blindly. She acknowledges that someone in her *"demographic"* might make her more interested in a specific financial product, but she thinks too many are jumping on bandwagons without considering the specifics of their financial situation and goals. *"**Having a community or person that you trust, who understands where you are, would be the thing to help** [overcome] a barrier to entry."*

Click the button to listen to Jasmine speak about communities
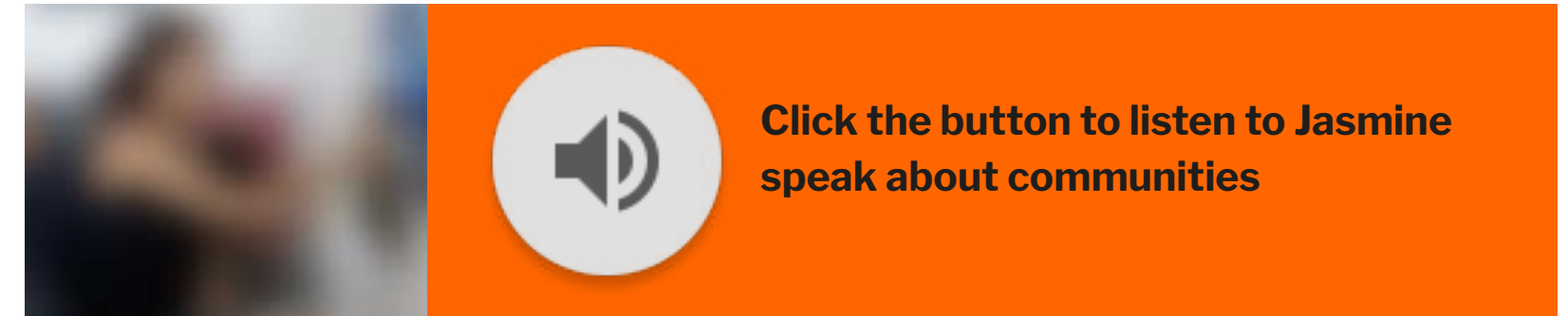
Jasmine, Los Angeles
Jasmine is a full time visual artist living with her partner in a townhouse they own together in Los Angeles. She was raised by a financially cautious single mother and attributes her onboarding to crypto to her partner, who works in the tech industry and has long been an avid crypto buyer and investor in traditional assets. She wished to remain anonymous in this report.

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Field Story

Xaxum invested in crypto to build wealth for themself and their child.

"I would like to participate [in cryptocurrency] and be able to ==improve my life==."

Achieving safety through financial options

Xaxum had a difficult upbringing, without consistent support or models of a healthy relationship with money. Xaxum sees money as a tool that can help ==*"ameliorate some of the vulnerability"*== that comes with being a queer Black person. They view crypto as one tool to achieve this security, and invested everything they had—$2,000—before moving into a shelter. After generating a significant yield, Xaxum was forced to sell to meet basic day-to-day needs, but plans to buy crypto again when they are able.

Aspiring to build community in a new financial ecosystem

Eventually, Xaxum hopes to teach young people in their community about cryptocurrency so that they can build generational wealth outside of the existing financial system that they view as harmful. Xaxum believes that the GFT they and their family have experienced—and still live with—needs to be addressed in tandem to learning about crypto as a tool for alternative wealth building: ==*"I want us to have the knowledge because otherwise we're just going to feed it back into the capitalist machine."*==

▶ **Click the button or the image above to view the video.**

==Xaxum== Parsippany, New Jersey
Originally from Los Angeles, California, Xaxum is a single parent living in a hotel in Parsippany, New Jersey. They have not had access to child support and are living slightly above the poverty line. Their primary income is via Patreon through their writing work. Xaxum has limited trust in existing systems, and chooses to not participate in them where possible in ways that they feel do not serve them and their child.

Summary

- **Blockchain's key features resonate with quality of life needs defined by Black people.**

- **Black people have different approaches to crypto depending on the problem they want to solve, including building wealth, diversifying assets, participating in an alternative financial ecosystem, and engaging with community.**

Policymakers:

- *Are there opportunities for public entities to streamline operations and information management, making more resources available to serve the most vulnerable?*

Web3 Industry:

- *What efforts are you making to test your product in multiple segments of your target market (and incorporate feedback from them)?*

- *How do you ensure that all possible customers are represented in the development process?*

- *How can your tokenomic design provide reasonable ways to generate wealth without subjectivity to manipulation, particularly by large institutional investors?*

Insight 4

Risks associated with buying crypto can be magnified for Black people.

This moment in the market is particularly precarious for Black people in crypto.

The convergence of multiple risks **is magnified** for Black people participating in crypto.

VOLATILITY
Cryptocurrencies, like any new asset, are volatile. They can be speculative, are unregulated, and are prone to scams

VARYING INFORMATION
There is an overwhelming burden on individuals to navigate conflicting perspectives, project legitimacy, and confusing jargon and UX

UNCLEAR INDUSTRY NORMS
The Web3 space is complex, creating confusion for participants and institutions; a lack of clear rules and norms leaves room for mistakes and bad actors

VOLATILITY

Cryptocurrencies are volatile.

Without a long history of analysis or robust regulatory framework, the crypto market is subject to extreme changes.

- Despite transparent mediation via the blockchain, cryptocurrencies are still vulnerable to tampering.

- While the cryptocurrency market has experienced volatility since its inception, the intensity of the past year's series of crypto crashes—including Terra-Luna, Celsius, and more recently the criminal activity leading to the FTX crash—have sharpened focus on the unregulated nature of the space.

- Token prices can also be manipulated by agents with large holdings, including institutional investors, which may further disadvantage retail buyers.

VOLATILITY

There is little recourse for those who have lost in crypto crashes and scams.

Like all new industries, crypto is vulnerable to scams, or "rug pulls."

- Since the start of 2021, more than 46,000 people have reported losing over $1 billion in crypto to scams—a volume that increased 60x in size in the last three years alone.

- A lack of clarity in the early days of Web3 increases vulnerability to scams:

  - There is no bank or other centralized authority to flag suspicious transactions or attempt to stop fraud before it happens.

  - Transfers are irreversible, leaving no recourse for owners.

  - There is still widespread unfamiliarity with how crypto works, even among those who own it.

VOLATILITY

Black people experienced significant losses in recent crypto crashes, mirroring prior financial crises.

These losses are felt more painfully for Black people, as an echo of past GFT (generational financial trauma) events.

- Historically marginalized communities have been hit hard in recent crashes; due to exclusion from the traditional financial system, many Black buyers of crypto were overexposed to risk in crypto market.

- Many wealthy early investors have escaped relatively unscathed, while amateur and first-time investors have borne the brunt of losses.

- Customers have scrambled to recover funds lost with little success.

▶ **Click the button or the image above to view the**
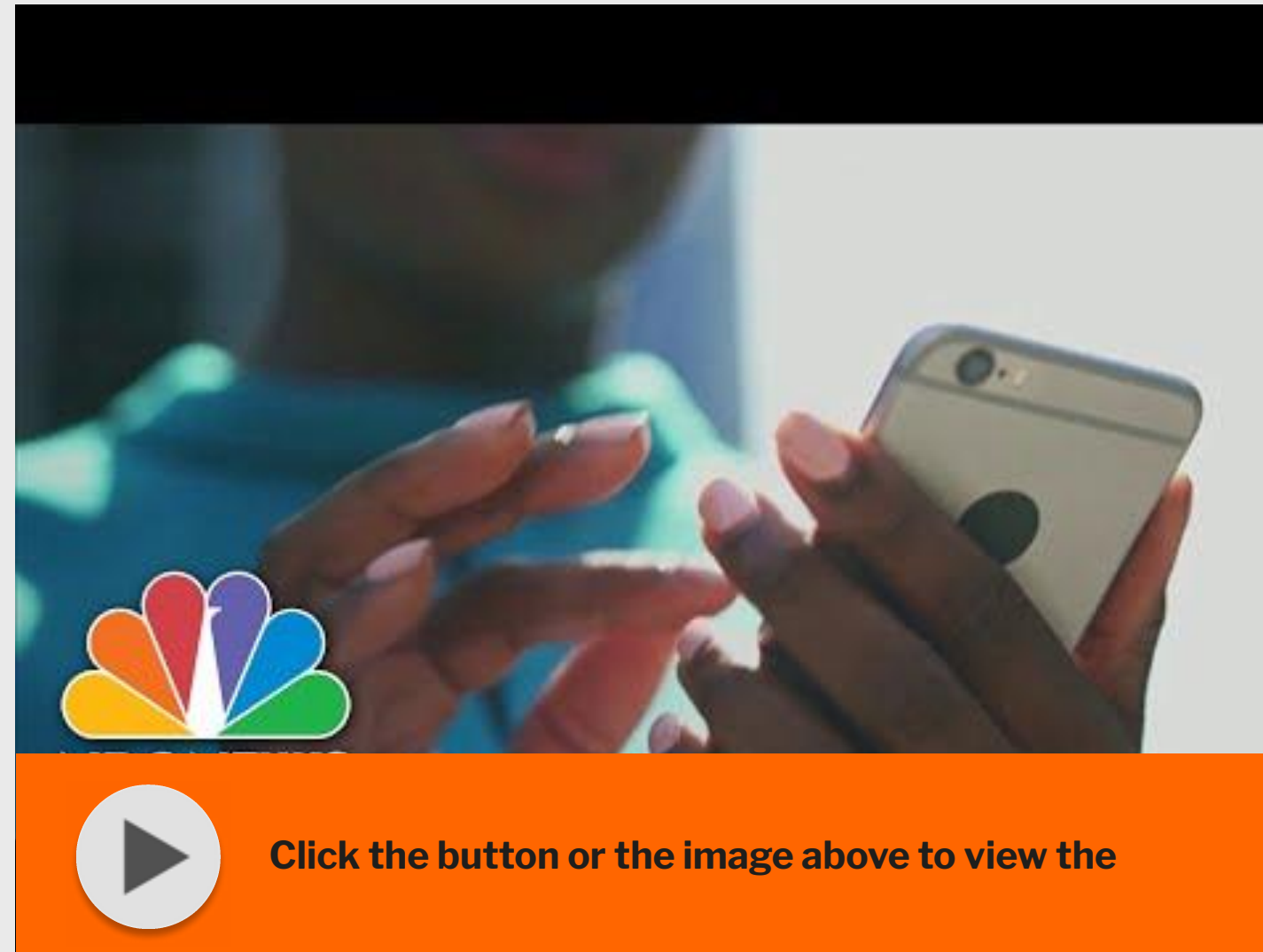
Source: Black Americans Are More Affected By Crypto Crisis Than White Americans, NBC

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VOLATILITY

People with limited financial services experience are struggling to make sense of crashes.

People with limited financial services experience are seeking to understand recent crypto crashes and their exposure to risk.

So-called "explainer" videos on platforms such as TikTok and Youtube collect thousands of views, spurring discussions on messaging platforms and in other forums. In many cases, these explanations attempt to make sense of the crypto market with comparisons to prior financial crises, drawing cyclical connections and patterns to GFT-inducing events from the past.
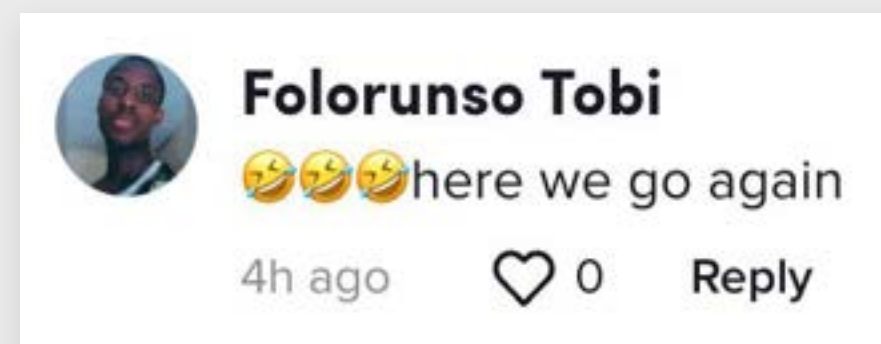
Similarities Between The Crypto Crash & 2008 Crash 💥

TikTok
@therealmasterinvesto

Ian Dunlap - The Master of the Universe lol ...

Folorunso Tobi

🤣🤣🤣here we go again

4h ago   ♡ 0   Reply

Click the button or the image above to view the video.

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VOLATILITY

Experiences with volatility in crypto markets may validate the distrust that Black communities feel for financial services.

"*In the absence of FDIC insurance or anything resembling it, individual cryptocurrency owners could simply lose their investments if the exchange goes bankrupt or gets hacked: a 21st century version of Freedman's Savings Bank.*"

The Cryptic Nature of Black Consumer Cryptocurrency Ownership, Federal Reserve Bank of Kansas City

After the crypto winter of 2022, it was reported that Black people had been significantly affected due to higher adoption rates of crypto and less diversification across other assets. In this Twitter exchange, it is posited that recent crashes mirror historical financial crises, with Black people losing greater shares of their assets.

philip lewis @Phil_Lewis_ · Jul 5

"Black Americans' higher exposure to cryptocurrencies has left them more vulnerable to the financial downturn, even as their households on average hold less wealth."

ft.com
Crypto collapse reverberates widely among black American investors

52   902   1,538

Luminata @Luminatah

Replying to @KaysarTrading @DaanCrypto and @PrimeXBT

I switched from binance to ftx because of regulations and lost so much money. I will never use anything regulated, nor trust the @SECGov or @BaFin_Bund ever again.

10:00 AM · Dec 9, 2022

Luminata @Luminatah

Replying to @Luminatah @KaysarTrading and 4 others

Now all my money is gone and @SBF_FTX is still a free man, who are these regulations really good for? Not for us..

10:03 AM · Dec 9, 2022

WE ALL WE GOT @ez3ll

Replying to @Phil_Lewis_

The issue at hand:

White people got into crypto at $0-$20k.

Black people got into crypto at $15k-$60k.

Market crash, black folks are the ones who lose majority of their assets. It's a common United States problem that happens quite too often.

6:56 PM · Jul 5, 2022 · Twitter for iPhone

Source: (Above) Twitter use @Luminatah; (Right) Twitter: @ez3ll response to @Phil_Lewis, July, 2022.

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VARYING INFORMATION

Fear of missing out on wealth-building opportunities (again) may prevent Black people from adequately assessing risks associated with new financial products.

*"I tell them **this is not a lottery ticket, this will not get you rich quick**...They have to focus on tech and utility."*

Anonymous financial educator

Dynamism and urgency can deter assessments of risk, creating "FOMO."

- As our Onboarding Report (page 35) finds, if someone wants something urgently (such as financial liberation), they will be more persistent in overcoming barriers to adopt a new product that is relevant to their needs.

- A person's momentum to overcome a barrier is related to the emotional weight and sense of urgency they feel to solve a problem, and how strongly they believe a product or solution will solve it.

- Fear of Missing Out (FOMO) or other excessive feelings of urgency can cause people to hastily speed through barriers.

FOMO dynamics are heightened in the new Web3 financial ecosystem for Black people.

- Black people have been excluded from access to tools that support the acquisition of property, building equity, trading their businesses on stock exchanges, and many other wealth-building activities. Many see crypto as a chance to finally begin building generational wealth.

- The dynamic condition of the crypto market can incentivize some people to rush in and "get theirs" before the opportunity passes. It seduces others with the notion of easy financial liberation.

- Combined with historic distrust of financial institutions, this can incentivize taking greater risks or partaking in speculation—which can leave people "getting burned."

VARYING INFORMATION

Black community leaders and subject matter experts are urging people to carefully consider financial opportunities without rushing into investment decisions.

"That fear of missing out can sometimes be a barrier, too."

Rodney Sampson, at the Prophytes App Launch Event

A panel of Atlanta business leaders was invited to speak at the launch of an NFT collection and Prophytes smartphone app for the members of the Divine Nine, a Black Greek organization.

Speaking onstage at Kitt Labs—a co-development studio in Atlanta founded by Black technologists—panelists discussed the risks and opportunities that interacting with blockchain and cryptocurrency can pose. They urged audience members to take a proactive "investor" mindset rather than an urgent "consumer" mindset that might rush them into poor decisions via FOMO.

CRADL image of Atlanta business leaders speaking at the Prophytes app launch event.

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VARYING INFORMATION

Black people value information from sources outside of systems that have harmed them.

"People really trust community actors over experts and broad-based influencers."

Najah Roberts, Founder, Crypto Blockchain Plug

Black (and brown) communities are more likely to trust their peers for guidance in investment decisions.

- As our report on Generational Wealth found, many people's understanding of financial opportunities is shaped by their peers (page 66).

- This trend is even more pronounced within communities that experience higher rates of distrust in legacy financial institutions.

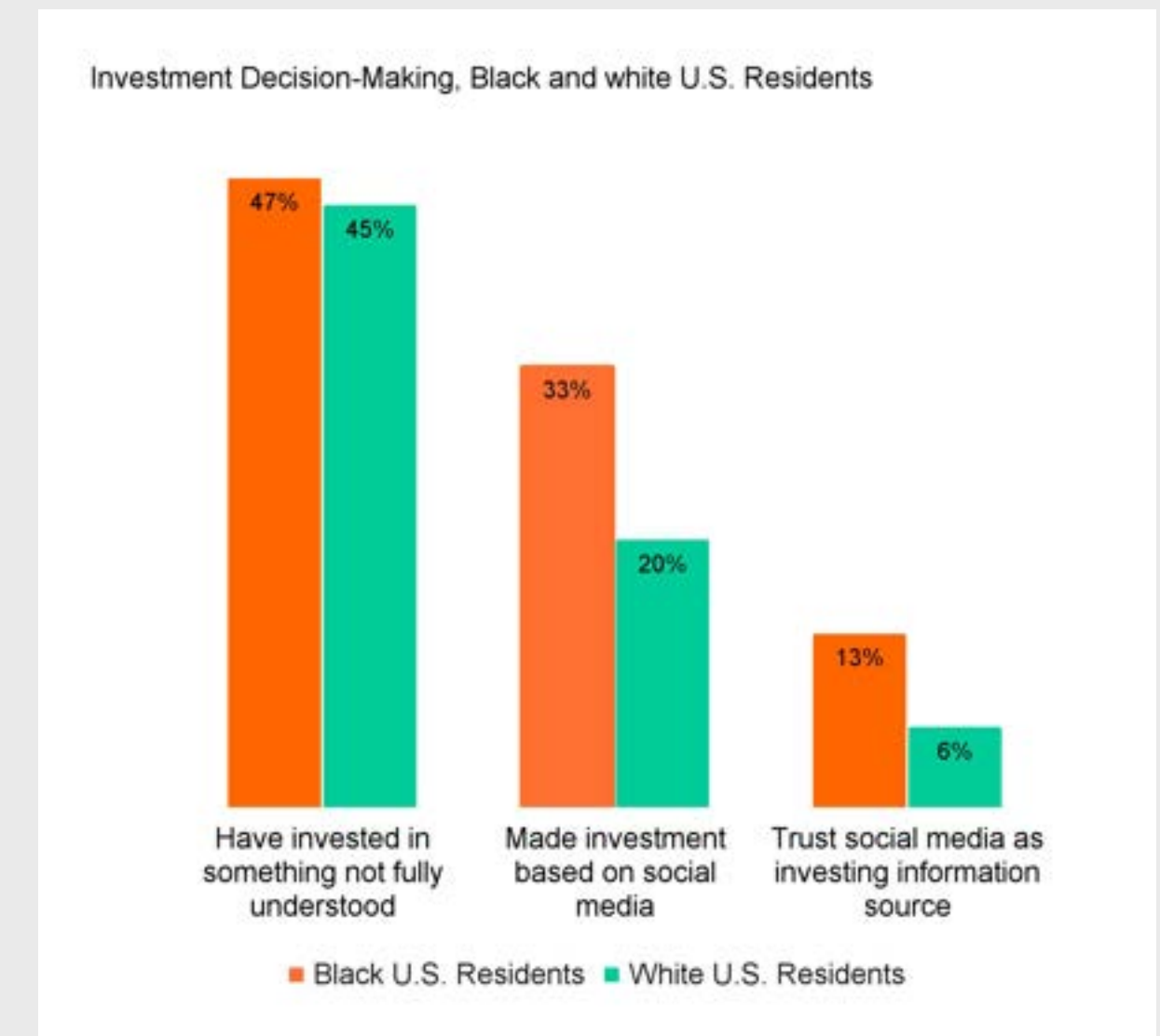**Black people are finding communities of support on social media platforms.**

- Black wealth builders are more likely to make investment decisions based on social media, where they find the cultural comfort and community that white investors might find in more traditional or institutional spaces.

- This is reflected in the proliferation of Black-dominant online crypto communities on social media platforms such as Clubhouse and Twitter; for example, the Black Bitcoin Billionaires chat room on Clubhouse has grown from about 2,000 to 130,000 club members this year.

VARYING INFORMATION

White and Black investors are equally likely to invest in things they do not understand—but consult different sources of information to inform decisions.

Black people are more likely to seek guidance from social media.
Black investors are more likely to make investment decisions based on social media—reflecting a preference to trust peers and community leaders in order to seek guidance outside of institutions that have historically harmed them.

Investment Decision-Making, Black and white U.S. Residents

	47%	45%
	33%	20%
	13%	6%

Have invested in something not fully understood | Made investment based on social media | Trust social media as investing information source

■ Black U.S. Residents   ■ White U.S. Residents

Source: Ariel-Schwab Black Investor Survey, 2022

VARYING INFORMATION

Black community leaders and creators foster dialogue around financial decisions in spaces that are more accessible and inviting than "traditional" financial spaces.

Some Black people feel more comfortable fostering conversations and obtaining knowledge through social media because they trust the community leaders they follow.

Educators and community in Black online spaces use accessible language and similar cultural experiences to illustrate the intricacies of blockchain and cryptocurrency. Examples of such spaces include Twitter spaces where followers are invited to discuss business advice, learn about project-specific community support groups, and analyze current events with social media creators. By contrast, non-Black crypto spaces use insider jargon, tech-speak, and intentionally exclusionary language.

Click the button or the image above to view the video.
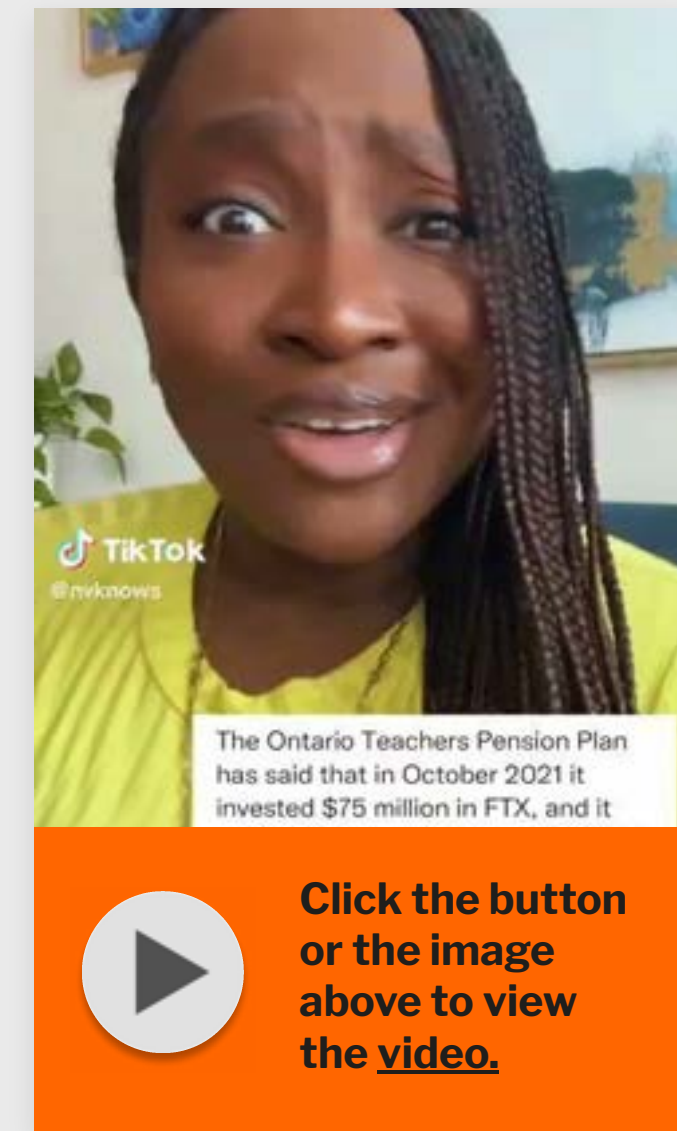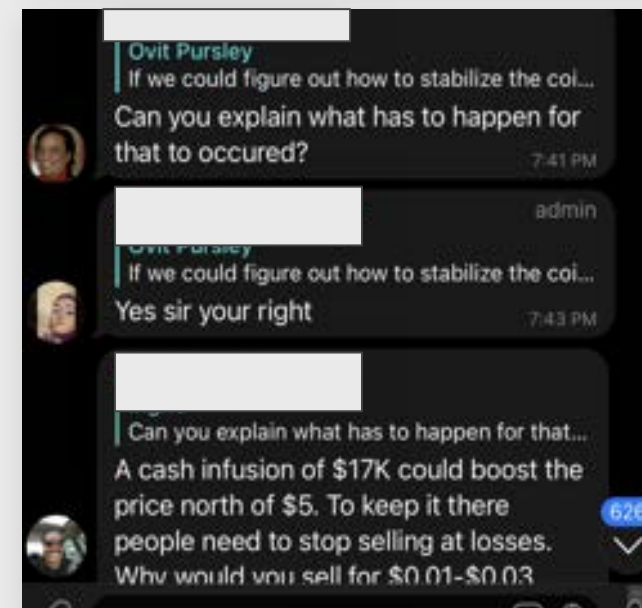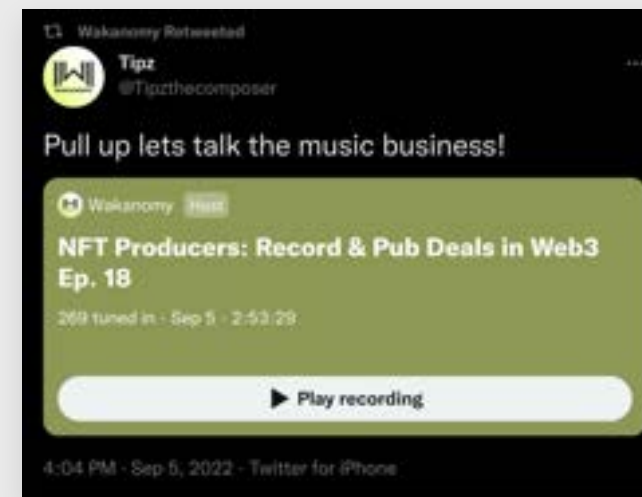
Sources: (Clockwise) A screenshot of a Wakanomy Twitter Spaces event that discussed record deals in Web3; Center: TikTok video from finance focused creator @nvknows; a screenshot of a Telegram community group for the Guapcoin currency where people can ask for explanations about tokenomics and how to use Guap tools.
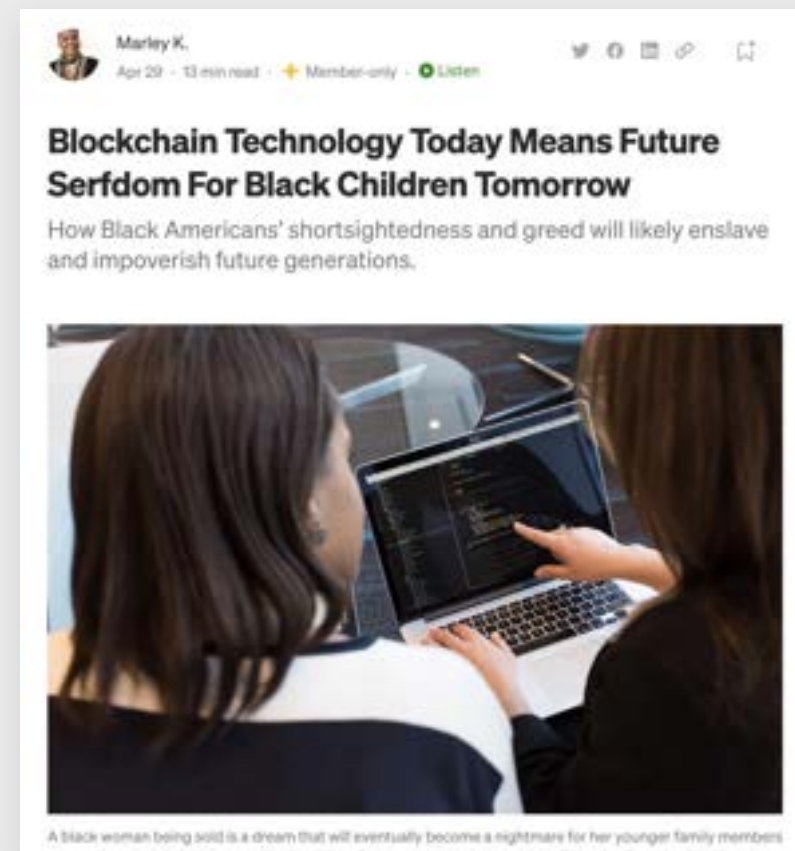
Crypto Research & Design Lab

VARYING INFORMATION

However, familiar voices can also give credence to conspiracy theories and misinformation in the context of crashes and volatility.

Similar to other corners of the internet where people have grappled to explain events that are difficult to understand, misinformation abounds in Web3. The presence of real bad actors in crypto, the cultural dynamics of a quickly evolving industry, and recent volatility all create conditions conducive to conspiracy theories.

Fueled by existing mistrust of financial systems, conspiracy theories can take on greater traction when delivered by community leaders and other creators using familiar language or accessible modalities like social media.

For example, many explanations our research observed online centered on shadowy, conjectural collaborations between government agencies and private industry that—according to these theories—are intended to use blockchain technology to enslave Black people in the U.S. These ideas are cited across the internet, in TikTok videos that appeal to young people and can be easily and quickly reshared or "remixed," as well as in blog posts by writers with tens of thousands of followers.

Blockchain Technology Today Means Future Serfdom For Black Children Tomorrow

How Black Americans' shortsightedness and greed will likely enslave and impoverish future generations.

Click the button or the image above to view the video.

Sources: (Right) Tiktok video from user @terrifickreations, and a blog post published on Medium by a user who has since been suspended from the platform.

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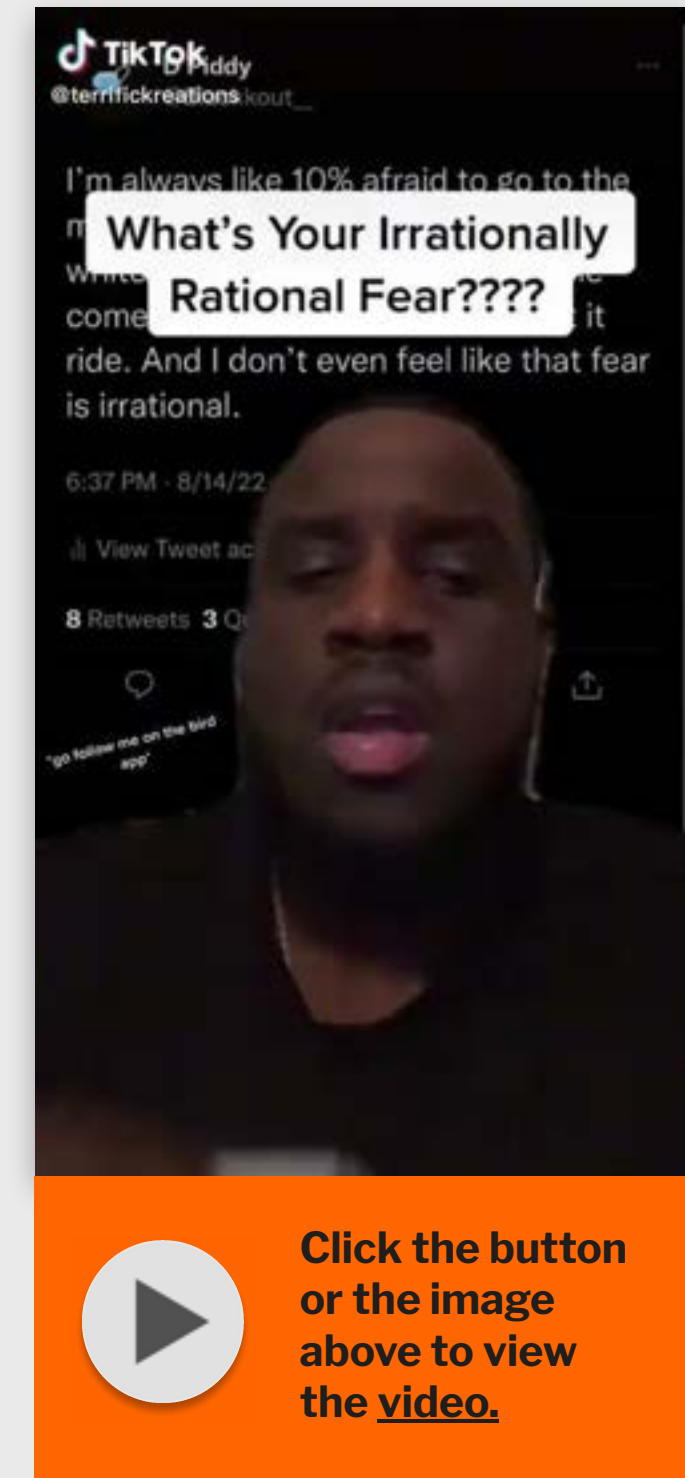
UNCLEAR INDUSTRY NORMS

Awareness of Black people's enthusiasm for alternative financial tools has incentivized predatory behavior from some bad actors.

As the industry has grown, some speculative products have targeted Black communities with advertising.

■ Black community leaders early to the space are concerned about monied interests entering crypto. They cite disbursement of misleading information through influencers that may target more trusted channels online and in advertisements.

■ The Federal Trade Commission has noted that many scams target Black communities via social media.

■ An onslaught of advertising that has been criticized for selling FOMO to crypto newcomers.

■ The Securities and Exchanges Commission (SEC) has levied significant penalties against celebrities who advertised crypto products without providing disclosures. They did this in recognition of risks to consumers who might look to celebrities or other successful people for advice.

UNCLEAR INDUSTRY NORMS

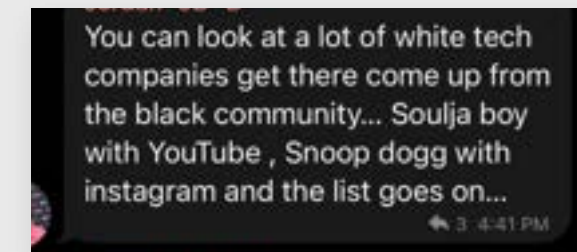# Black community leaders are calling awareness to "predatory inclusion" and exploitative advertising practices.

*"Ninety-eight percent of these cryptocurrencies were not designed to do anything other than extract money from people's bank accounts...**There are massive targeted ads that are targeting our community.**"*

Najah Roberts

[Community leaders and members have criticized](#) various "[folk economics](#)" oriented approaches of overly simplifying complex concepts to sell harmful digital products. These practices are similar to those seen in the marketing of other products (such as housing and education loans) targeting marginalized communities. As advertising for speculative crypto products helmed by celebrities has increased, these critiques have included a criticism of leveraging Black culture to sell harmful products.

We observed such framing in our digital ethnography. In a private messaging support group for Black participants in Web3, people criticized the use of Black culture to appeal to Black communities to sell products. On social media platforms like TikTok and Instagram, content creators have also criticized advertising practices that target Black communities.

Sources: A Twitter thread from Tressie McMillan Cottom ([@tressiemcphd](#)), an associate professor at the University of North Carolina. Screenshot from a Telegram group intended to create a supportive community for Black people in Web3. Frequent topics of discussion include representation, equity, investment advice, and industry observation. Right, a TikTok video from popular user [@kimberlynfoster](#).

> **Tressie McMillan ...** ✔ @tressie... · Nov 29 · · ·
> LowerEd. Crypto. Housing schemes.
> It feels good to be included, even when the terms are bad. Feelings matter.

> You can look at a lot of white tech companies get there come up from the black community... Soulja boy with YouTube , Snoop dogg with instagram and the list goes on...
> 3 4:41 PM

SKIMS--THE LAST VALUATION

Click the button or the image above to view the video.

Crypto Research & Design Lab

UNCLEAR INDUSTRY NORMS

Product complexity can discourage wider adoption or trap people into making financial mistakes.

CRADL's report, UX in Cryptocurrency: An overview of User Experience in cryptocurrency applications, evaluates the state of UX in crypto. The report goes deep into UX "landmines" that create exclusionary and scary product experiences.

Current product design in crypto and Web3 can skew to favor tech-savvy early adopters.

- Poor user experience (UX) design can deter adoption or lead people to make mistakes—sometimes costly ones in the case of crypto apps.

- Blockchain and Web3 are already complicated; this can be compounded by instances of exclusionary UX design, which makes assumptions about user familiarity.

- Anyone can experience common UX "landmines" in crypto apps, but the likelihood—and repercussions—can increase for people with GFT who have already encountered challenges navigating other systems. Landmines include:

  - Buying the wrong currency

  - Misunderstanding of gas fees

  - Misunderstanding of staking

  - Losing passphrases (and thus access)

  - Sending money to the wrong recipient

  - Sending funds to the wrong type of wallet

UNCLEAR INDUSTRY NORMS

As Black people explore Web3, they may feel like they do not belong because the culture is intentionally exclusionary.

"They [Web3 developers] like to mystify and I like to demystify it. Solidity is a static programming language that you can learn in a couple of weeks."

Anonymous Developer speaking about helping artists mint NFTs

As Black people navigate crypto, they may encounter communities that are predominantly white with a shared culture and language (such as "HODL"). Having limited access to crypto and Web3 literacy may trigger feelings of insecurity that stem from GFT and can deter Black people from wanting to continue their onboarding process.

"When you use words that are not common language—you are literally excluding people from the conversation."

Nea Simone

"I feel like I'm starting at zero because I don't speak this Reddit language that a lot of these people speak. [The memes and language] feel a little racist and weird and strange, I just can't relate to a lot of the stuff. So sometimes I feel like that in itself puts us at a disadvantage."

Elise Swopes, artist and founder of the Sunrise Art Club which supports artists through the sale of NFTs

Summary

- **While there are risks for all who engage with crypto, risks are magnified for historically marginalized communities.**

- **Given the unique appeal of blockchain's offerings and their salience to generational financial trauma for many Black adopters of crypto, potential risks and harms may alienate Black people more than others.**

- **Because Black people are key adopters helping to drive the expansive growth of crypto and Web3, their alienation risks discouraging the entry of new crypto buyers and builders alike to the ecosystem.**

Policymakers:

- *How can public entities active in consumer protection address the industry specific context in their educational efforts and outreach, via relevant content and non-traditional channels (e.g. social media)?*
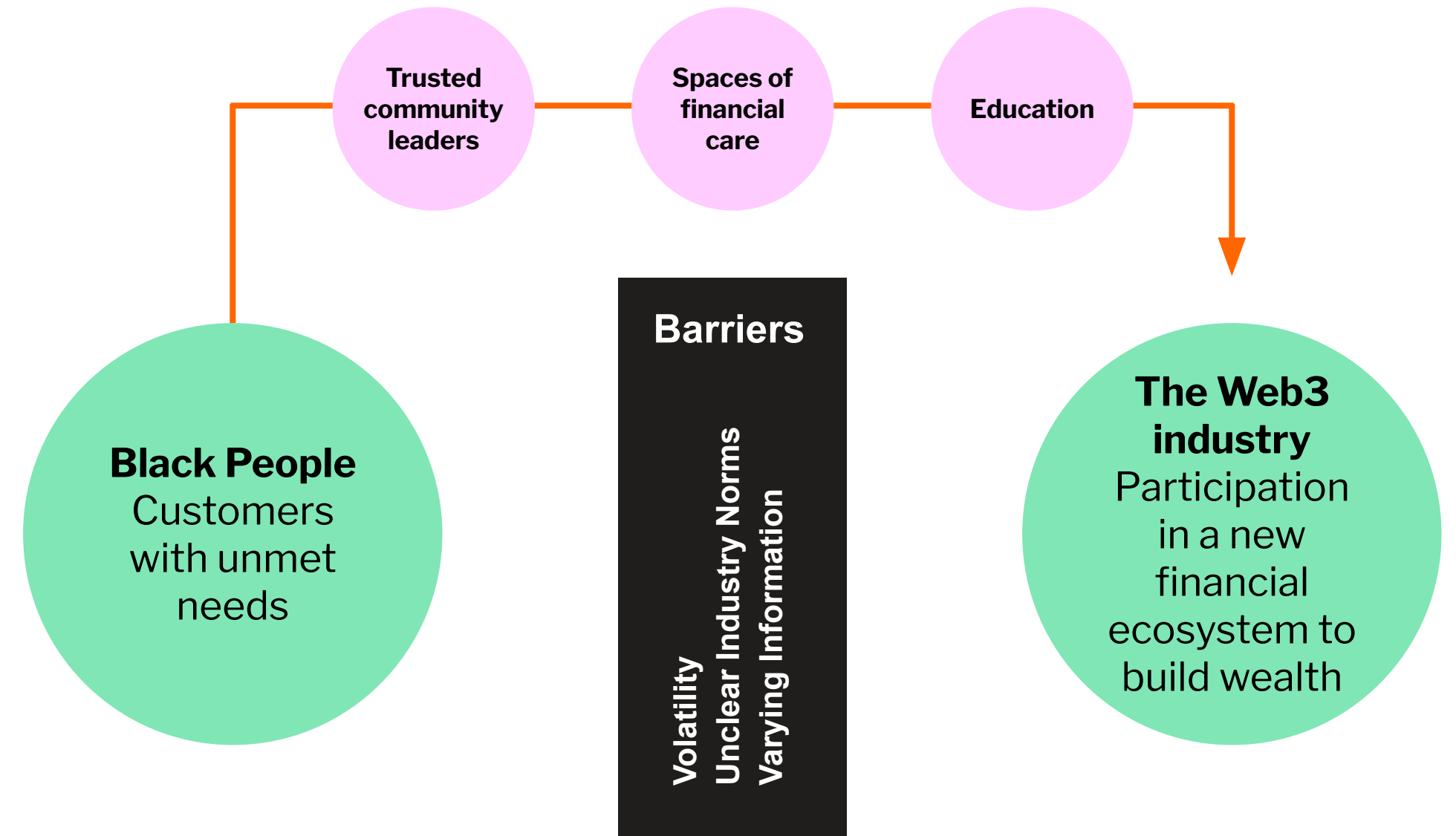
Web3 Industry:

- *How are you approaching onboarding and education around your product, and what approaches are you taking to ensure these efforts are culturally sensitive and empowering?*

- *How are you ensuring that the most vulnerable of your users and/or members of historically marginalized communities are using your product safely and not being put at risk?*

Insight 5

Community leaders are already working to mitigate risks, but more systemic actions are needed to ensure safe participation and equitable access to benefits.

There is a gap between Black people and meaningful engagement with Web3.

Trusted community leaders

Spaces of financial care

Education

Barriers

Volatility
Unclear Industry Norms
Varying Information

Black People
Customers with unmet needs

The Web3 industry
Participation in a new financial ecosystem to build wealth

Grassroot approaches to crypto are addressing shortcomings in existing systems and gaps in regulation.

The community leaders profiled on the following pages offer examples of how people are working to bridge the gap.

A vacuum of regulation and industry norms is being met by community approaches.

- While there is a lot of focus in the media on crypto industry scams, the role of hyper-local community leaders who are quietly educating their members on how to benefit from crypto has received less attention.

- Hyper-local community leaders' approaches are motivated by care and safety, with personal emotional investment in outcomes.

There is a historical precedent for community action around systemic shortcomings instigating systemic shifts.

- Many community leaders are operating under the premise that they are establishing a financial revolution in the face of systems that have harmed their people for a long time.

- The Participatory Budgeting Movement, in which communities take control of how a portion of local money is spent, has grown out of hyperlocal efforts in Porto Alegre, Brazil, and Chicago's 49th ward.

- Septima Clark's and Dorothy Cotton's work in architecting Citizenship Schools created more than 1,000 grassroots literacy programs, establishing the foundations of the Civil Rights Movements.

Field Story

Najah Roberts creates spaces of financial care that empower people to join the crypto community.

"If we get this right and if our community adopts this early, there's nothing that can stop us and we can help close this wealth gap."

Trusted Community Leader

As a former financial advisor, Najah Roberts became *"disgruntled"* with the financial system and its treatment of Black communities, including her community of Inglewood. A historically Black city in Los Angeles County, Inglewood offers residents limited access to banking institutions and resources to support financial literacy. *"What can I do to actually be the change that I want to see? And then I got an epiphany one day when I was really learning about what Bitcoin offered and I thought, this is it."*

Najah created Crypto Blockchain Plug, an organization focused on providing financial education for for the community.

Spaces of Financial Care

As the first Black-owned brick and mortar digital asset financial and education center, CB Plug provides in-person access to a financial advisory experience in a community that has historically lacked access to banking services. Najah provides personalized 1:1 advisory sessions and financial literacy coaching, providing a level of care typically seen in banks serving high net worth clients. In addition to her brick and mortar location, Najah organizes events and tours that bring her expertise to people outside of Inglewood.

Click the button or the image above to view the video.
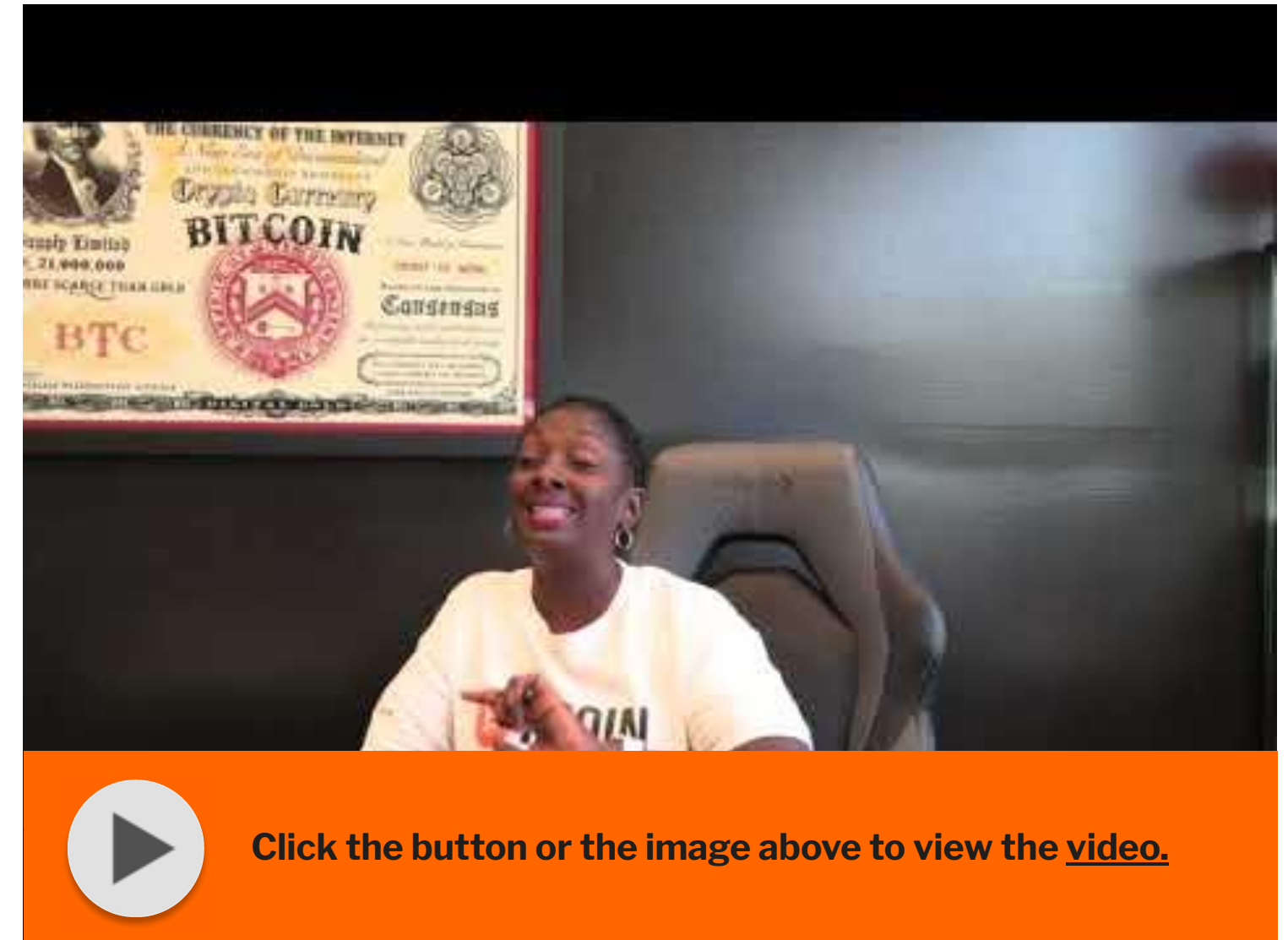
Najah Roberts speaking to CRADL in a 2022 interview.

Najah Roberts, Los Angeles, California

Najah, a financial advisor with 13 years of experience under her belt, is originally from Los Angeles. Her organization, Crypto Blockchain Plug, is a non-profit that focuses on financial literacy, specifically within the cryptocurrency space.

Learn more about Najah Roberts and Crypto Blockchain Plug in our Onboarding Report.

The exterior of the Crypto Blockchain Plug Exterior in South Los Angeles.

Field Story

Black Bitcoin Billionaire creates spaces for Black people to reflect on their relationship with money, and learn about bitcoin as a tool for financial empowerment.

"The decentralization of money, financial assets, and financial systems are leveling the playing field and providing all people with access to financial inclusion. The revolution will not be televised, but it will be decentralized."

BBB moderator and GuideFi founder Charlene Fadirepo holding a copy of the Time Magazine edition in which she and BBB are featured. Charlene is a former regulator who worked in the Federal Reserve's inspector general's office.

Spaces of Financial Care

As an organization, Black Bitcoin Billionaire (BBB) sees bitcoin (specifically, over other cryptocurrencies) as an opportunity for Black communities to build generational wealth in a new financial ecosystem after centuries of exclusion and harm. They have emerged as one of the the most visible online community spaces bringing financial empowerment to Black people. Through both an online and in-person platform, they explore the linkage between Black economies and Bitcoin. BBB has brought its trusted voice to major partnerships with industry actors such as CashApp (page 68), providing on-ramps to financial tools in culturally welcoming environments.

Education

Through publications, podcasts, events, and online communities, BBB provides its audience with accessible language to describe their financial and bitcoin journeys. BBB speaks directly about risks and sets expectations around returns, encouraging their communities not to fall prey to FOMO and to consider the long term. BBB is also turning to industry education, sponsoring demo days and partnering with companies hiring in the space such as Foundry to source more representative talent.

Black Bitcoin Billionaire

Black Bitcoin Billionaire has emerged as one of the biggest Black crypto communities online. Credited with onboarding over 150,000 Black people to Bitcoin, BBB has an active and dynamic online platform spanning its website, multiple social media platforms, and a bestselling book, Bitcoin and Black America, which explores linkages between Black economies and Bitcoin. In 2021 alone, its chat room on Clubhouse grew from 2,000 to 130,000 club members. BBB organizes an annual conference, community events such as the Bitcoin Classic (page 67), in-person workshops, and a series of other events and activations intended to provide welcoming and dynamic spaces for Black people to learn about generational wealth.

Field Story

## Tavonia Evans is creating entirely new systems of financial care for Afro-descended people.

"When you live in a society that doesn't honor your input, it's like you're invisible."

Visible Community Leader

Tavonia founded the Guapcoin cryptocurrency to build and sustain wealth within the global Afro-descendent community. The Guapcoin community provides access to tools, data, and guidance that advance a community currency aimed at creating a circular economy. Tavonia recognizes the importance of building trust with new technologies, particularly given the pace of change within Web3—something that became even more critical when she pivoted to develop Guapcoin's own protocol. She is an active moderator of Guapcoin's Telegram group, responding directly to people's questions. *"Black folks have trust issues—I'm not Satoshi, I'm Tavonia."*

Education

Tavonia seeks to prove that Black economic contributions matter, by using data collected by Guapcoin to develop better tools for Black-led small businesses around the world. Guapcoin's goal is similar to other efforts such as Ghetto Gastro and Greenwood that seek to create Black-led business ecosystems. *"If we have Guapcoin, Black people and their allies can say to major corporations and industries 'We are contributing XYZ to your bottom line so you need to invest in programs that enrich our communities as well because it is mutually beneficial.'"*

🔊 **Audio clip of Tavonia speaking about why she founded Guapcoin**
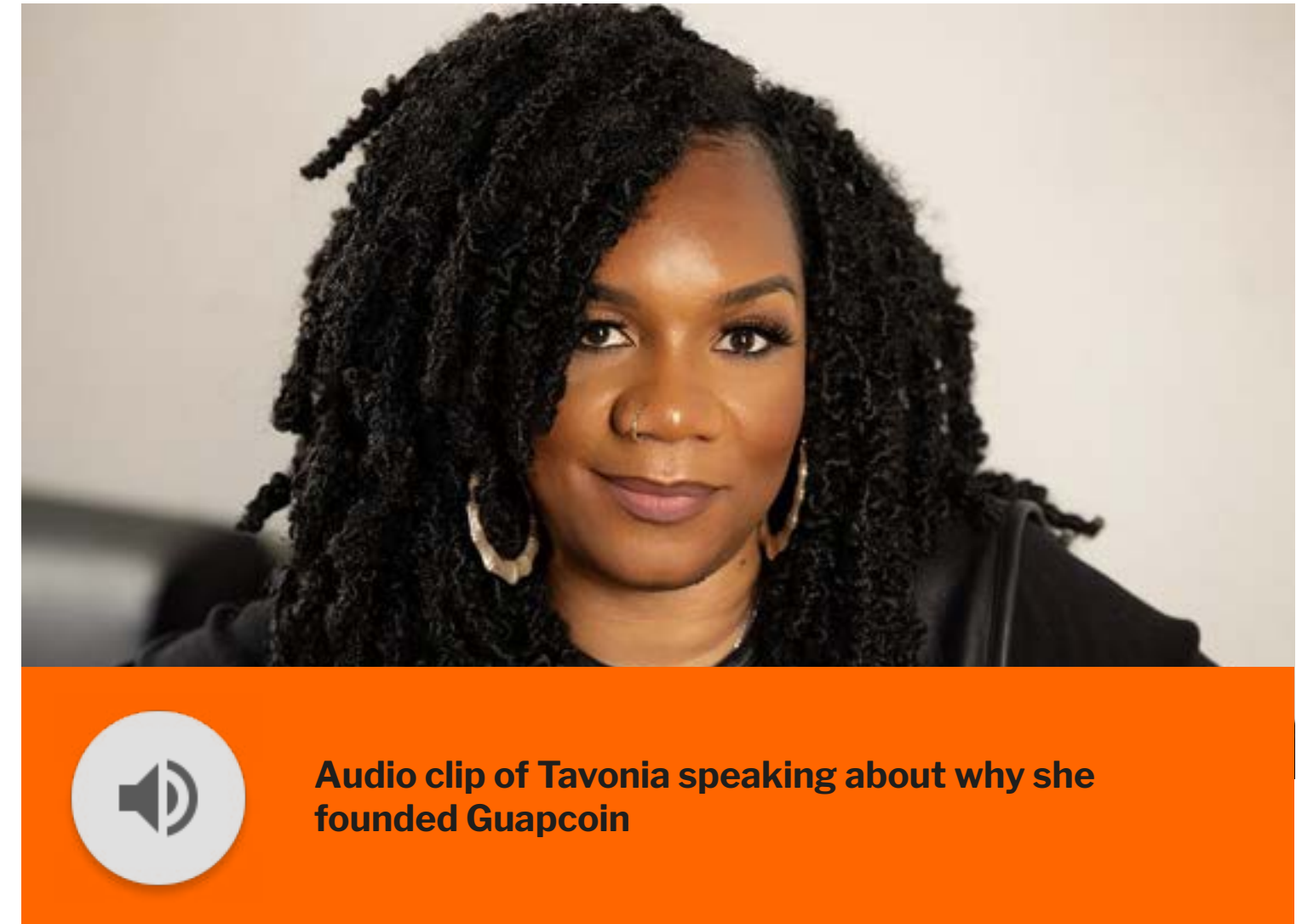
Tavonia Evans speaking to CRADL in a 2022 interview.

Tavonia Evans, Atlanta, Georgia

Tavonia Evans is originally from New York City and now lives in Atlanta. Tavonia is a data scientist, entrepreneur, and mother of eight. She founded Guapcoin as a cryptocurrency to address the maintenance of community wealth building amongst people of the Afrodiaspora. Read more about Guapcoin and Tavonia's other endeavours in our report about Onboarding to Crypto.

Field Story

OneUnited Bank (OUB) is a wholly Black-owned Community Development Financial Institution (CDFI) serving Black communities.

"We have enough brothers protesting in these streets; we need some young brothers like you to own institutions like banks."

Kevin Cohee, Chief Executive Officer, recalling guidance he received as a child at a Black Panther meeting

Trusted Community Leaders
Founded with the slogan "The Bank with a Purpose," OUB maintains an activist approach that focuses on the role of finance in Black people's lives, empowerment, and wealth-building journeys. In a financial system in which the four largest banks control half of all financial assets in the U.S., OUB has built trust through providing services that cater to its customers' needs. For example, they offer credit cards that help people with poor credit and rewards programs that incentivize saving instead of spending—and avoid predatory lending practices such as those that contributed to the 2008 financial crisis.

Creating Spaces of Financial Care
Beginning in 2005, OneUnited was the first Black bank to introduce a digital platform, where the majority of its customers access services today. This approach builds on the Bank's historic practice of establishing locations in banking deserts to serve customers where they are.

Click the button or the image above to view the video.

Kevin Cohee, CEO and Chairman, speaking on the Breakfast Club radio show.

OneUnited Bank
Launched in 1968 as Unity Bank & Trust Company, OneUnited is the country's largest Black-owned bank, led by an all-Black board. Originally founded in Boston to serve the needs of Black residents and small business owners in Dudley Square, the bank has advanced its community development goals through expansions and absorptions of other Black banks across the country to serve its customers where they are.

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To address risks and ensure Web3 is an equitable space, Black people must be included in positions of decision-making power in the design of both crypto products and clear rules for industry.

Builders of financial products and services must consider the range of experiences of Black people.

Comfort with financial tools and services can vary greatly due to experiences with GFT.

- Different experiences and manifestations of GFT can result in a spectrum of comfort with existing financial systems and interests in financial planning, building wealth, and alternative financial instruments.

- New products and tools should consider the principles of trauma-informed design, which seeks to create environments that promote a sense of calm, safety, dignity, empowerment, and well-being for all people using them.

- The need to address GFT in new products and tools can drive a need for Black-centered spaces and trauma-informed design in physical and online environments.

- Researchers have identified key themes to create safer technology experiences for all, including safety, trust, collaboration, peer support, enablement (empowerment), and intersectionality (relating to cultural, historical and gender issues).

Lack of representation can result in exclusion - sometimes naively, often blindly - by default.

Unintended consequences embedded in the design of past technologies have contributed to disillusionment and distrust.

- The veneer of technical objectivity can obscure <u>the real and systemic harm created by this technology</u>, with examples including:
    - Policing software that misidentifies and sets higher bail for non-white people;
    - Predictive analytics in social support services that make determinations deeming non-white individuals less worthy of longer-term support;
    - <u>Healthcare decision-making software</u> that contributes to better care for white patients.
- Even where there is no malintent, the design of technologies can inadvertently harm Black people via a failure to recognize them as potential users or to render them hypervisible to existing (and anti-Black) power structures.

Representation problems in Web3 can contribute to narrow understandings of people's needs.

- Narrow perspectives in product design can lead to a more <u>monolithic view of both user and context</u>. This can lead to products that are not responsive to actual user needs.
- As future CRADL research will explore, better representation in Web3 is required to ensure that the full market of potential people and challenges is addressed.

Greater coordination across domestic and international regulatory bodies is required to develop clear new rules for products that do not fit existing definitions.

"We need regulation *[for builders to feel comfortable innovating]."*

Marlon Williams, Founder of Atlanta Blockchain Center speaking about the lack of clear rules in the Web3 space

Siloed regulatory efforts will not bring oversight to a highly decentralized industry.

■ More coordination is required to preclude the halting of innovation.

■ Policy and legal experts are calling for a more nuanced approach to regulation and definitions that recognize the unique qualities of blockchain applications.

■ Policymakers have begun to proactively advocate for clearer rules, drawing parallels to past financial crises and technological innovations.

A proactive and transparent regulatory framework enables the industry to better address financial inequities.

Despite mistrust in some Black communities of legacy financial institutions and government, clear regulation is needed to provide basic protections that can address retail buyer concerns that might discourage some from engaging with potentially impactful new financial tools.

Crypto Research & Design Lab

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Click the button or the image above to view the video.
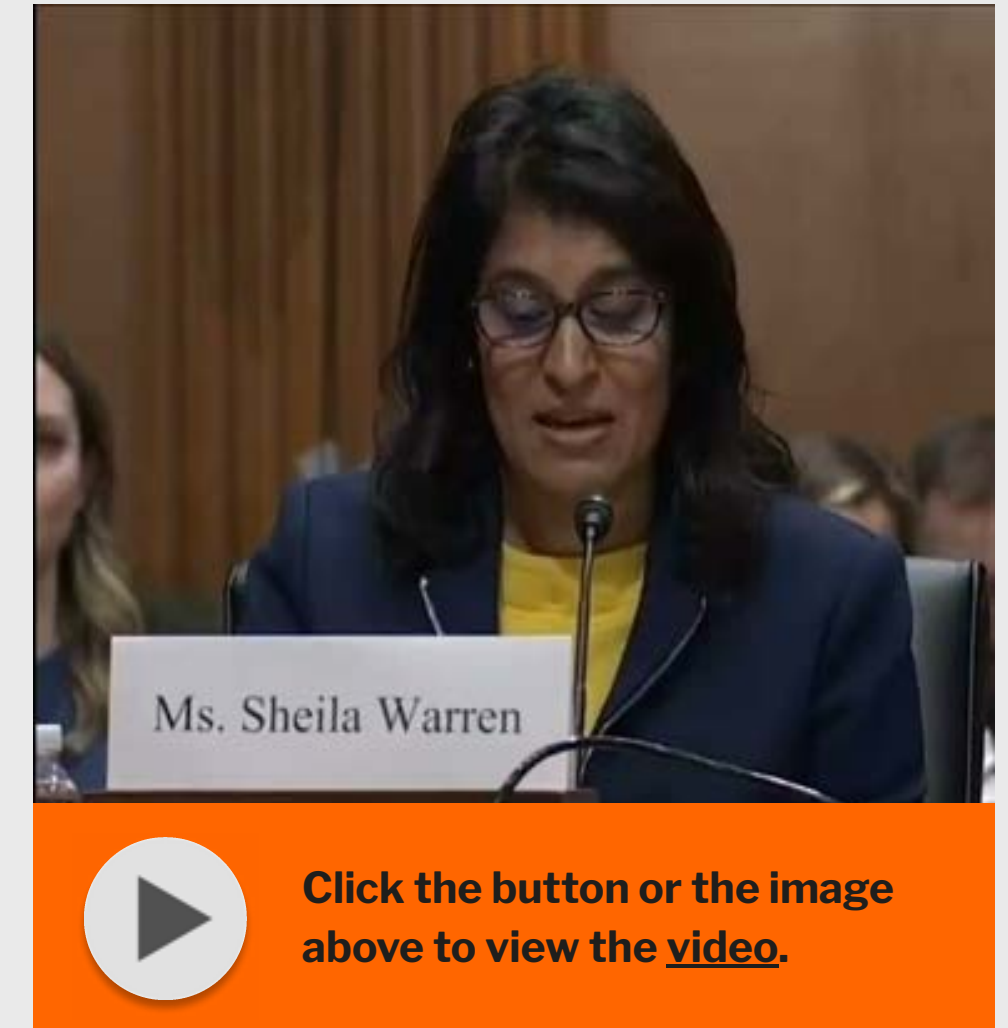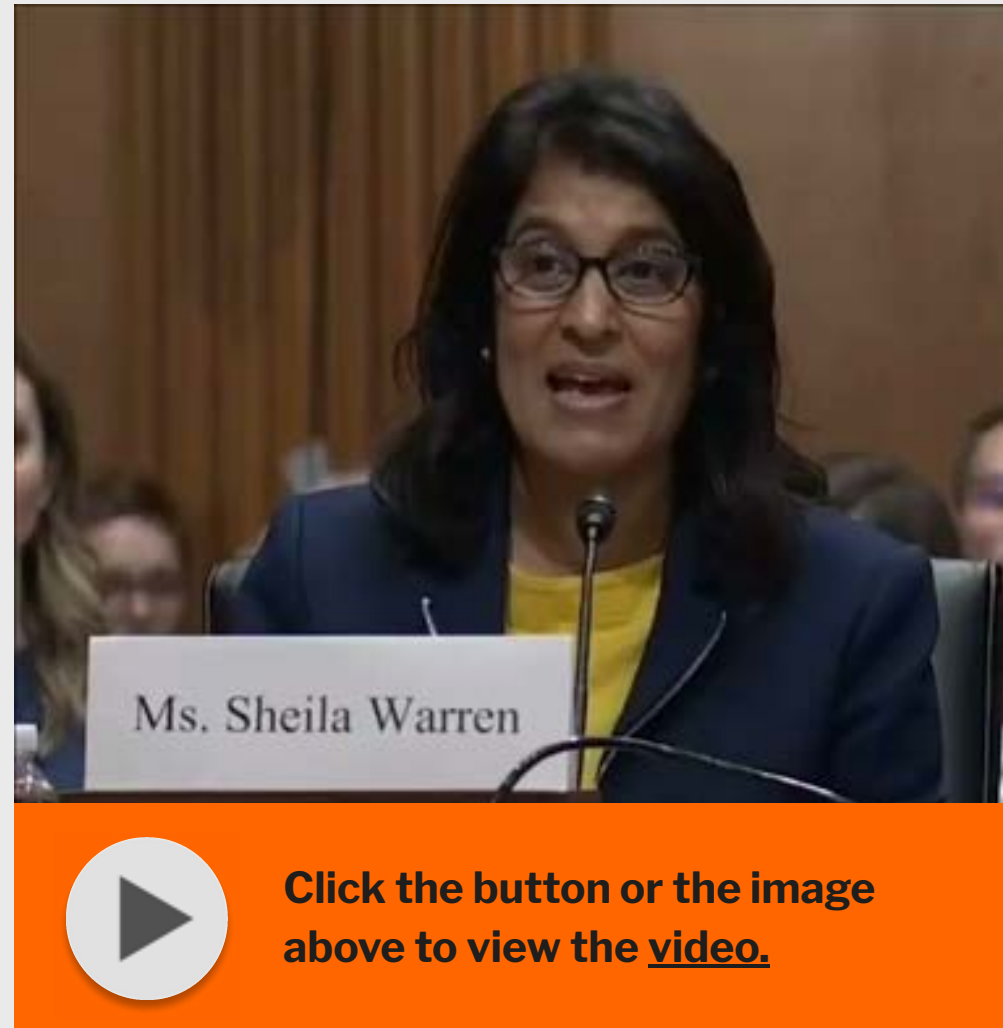
Two excerpts of Sheila Warren speaking as a witness before the Senate Committee on Agriculture, Nutrition, and Forestry Committee hearing to review S. 4760, the Digital Commodities Consumer Protection Act, introduced August 3rd, 2022.

*"Crypto can provide a more equal playing field for people and communities that don't have meaningful access to these systems…**Proactive policymaking now is critical to maintain a competitive position**."*

Sheila Warren, CEO of the Crypto Council for Innovation, Co–founder of Crypto Research and Design Lab

An uncertain enforcement-based regulatory environment makes building feel risky for even the best-intentioned teams.

Enforcement-based regulation is chilling innovation and contributing to a lack of clarity.

■ Web3 is in its early days, with a rapidly evolving set of use applications, strong subcultures, and technical complexity that have led some to make "Wild West" characterizations.

■ While a lack of rules and norms has in part contributed to rapid innovation, a lack of stability and clarity is beginning to chill confidence within the ecosystem.

■ Regulators' inconsistent enforcement of existing financial regulations in the absence of clear rules has been criticized by industry actors, elected officials, and fellow regulators.

Unclear and Inconsistent Enforcement: Tornado Cash
In August 2022, the Office of Foreign Assets Control (OFAC) sanctioned a crypto mixer, Tornado Cash, over charges of money laundering and arrested one of its developers. This marks the first time an open-source software protocol (rather than a person) was listed in the Special Designated List (SDN), making it illegal for any U.S. citizen or entity to interact with the mixer. Legal and policy experts at Crypto Council for Innovation (CCI) have cited this as a departure from how other digital and financial infrastructure has been treated, citing the importance of digital infrastructure neutrality.

Policy should protect historically marginalized communities without locking them out.

Thoughtful policymaking is critical to level the wealth-building playing field in this new financial ecosystem.

- Policy directly shapes opportunities to build wealth, giving advantages to some groups and penalizing others.

- As our recent report on Generational Wealth found, existing financial tools and systems often further prevent people starting with a disadvantage (page 43) from building wealth. Prevailing practices are often perceived as punitive to the poor and those outside of the financial system. Past and current regularly and tax policy has preferenced the wealthy (page 54), contributing to a growing wealth divide.

- Crypto presents a once in a generation opportunity to start anew with a new financial ecosystem—with new opportunities to improve.

- While there are no perfect examples, improvements in outcomes over time as a result of policy in industries such as home mortgage lending illustrate potential opportunities in this new ecosystem.

Policymakers who over-index on crypto speculation as a risk could instill reactive policy, stifling access to new financial tools and opportunities.

- With a new set of financial tools and instruments emerging in the Web3 financial ecosystem, there is an opportunity to regulate differently.

- **Policy should consider:**
  - How to democratize access to new crypto financial tools without stifling innovation
  - Which groups and products to focus on with regulation and tax policy
  - The role of disclosures in consumer protection

Summary

- **While community leaders are stepping up to address risks around volatility, information, and unclear industry norms, clear accompanying policy action is needed.**

- **Clear industry rules and norms will help to mitigate opportunistic plays by bad actors to target historically marginalized groups.**

Policymakers:

- *How can you avoid recreating the barriers within the existing financial system through the creation of new definitions for new asset classes?*

- *Which groups should be considered most heavily when regulating the cryptocurrency industry?*

  - *Which types of crypto purchasers and users, and which types of blockchain-based financial activities?*

Web3 Industry:

- *What barriers (if any) present in the existing financial industry are being replicated in your products?*

- *How are you including Black people in decision-making positions to ensure that your teams and products are representative of the people you're serving?*

Contents

Crypto Research & Design Lab

Key Takeaway No. 1

Participation in crypto is fundamentally altering historic trends in traditional approaches to wealth-building amongst Black people in the United States, with implications for policymaking and industry.

Key Takeaway No. 2

Narratives around higher crypto adoption rates by Black people should be grounded in an understanding of the history of investment systems available to them.

Key Takeaway No. 3

Policymakers and builders need to champion products, processes, and access to decision-making that better enable a greater range of people to safely participate in Web3.

Contents

Crypto Research & Design Lab

Next Steps

This report serves as the foundation for a set of forthcoming reports that will focus on how the crypto industry is (or isn't) serving people's financial needs.

Explore new forms of wealth-building made possible by blockchain-enabled tech

As described in this report, approaches to building wealth within existing financial systems are not working for millions of people. Our forthcoming work asks: *What are potential alternative approaches? How might Web3 enable new means of generating income? What is the potential for crypto products to create new forms of social networks that facilitate wealth-building for the historically marginalized? And what are the implications for new crypto alternatives?*

Thank you for reading.

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Dig what we do? Join us.

Appendix

Additional Resources

Additional Resources

Crypto Adoption Surveys

2022 Geography of Cryptocurrency

A Growing Number of U.S. Adults Invest In Cryptocurrency

The Cryptic Nature of Black Consumer Cryptocurrency Ownership

The Crypto Report: Our Analysts on the State of Cryptocurrency

More Than One in Ten Americans Surveyed Invest in Cryptocurrencies

Grayscale Investments® and The Harris Poll Survey Reveals that Democrats and Republicans Agree

Cryptocurrency is the Future of Finance

Other Resources on Crypto Adoption

Crypto can be a driver for racial equity?

African-Americans Outpace Whites and Hispanics In Cryptocurrency Investments

Locked out of traditional financial industry, more people of color are turning to cryptocurrency

Laura Washington: Cryptocurrency is a peril for the Black community

Crypto secures a place in the African American saga

Crypto's reputation as a bank-free zone is pulling in LGBTQ and Black Americans who want to build wealth

Satoshi is Black

Black Crypto: Freedom or Fad?

Why the crypto crash hit black Americans hard | The Economist

Crypto Is a Risky Bet for Black Americans

The Myth of Crypto Inclusion

Robinhood's Addictive App Made Trading a Pandemic Pastime

What Are Smart Contracts on the Blockchain and How They Work?

Why Black Americans are leading the NFT, crypto revolution

Trauma Informed Design

White Entrepreneurs Need to Stop Capitalizing on Black Culture

Engaging the Black Ethos: Afrofuturism as a Design Lens for Inclusive Technological Innovation

What It's Like to Be a Black Man in Tech

Black developers tell how the US tech industry could do better

The Importance Of Trauma-Informed Design

Millions of black people affected by racial bias in health-care algorithms

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Additional Resources

Generational Financial Trauma

Understanding Racial Trauma's Impact on Financial Literacy
3 Ways Intergenerational Trauma Still Impacts The Black Community Today
Post Traumatic Slave Syndrome
The Myth of Financial Literacy and why Wealth Justice is a Better Goal
On the construction of Financial Trauma theory: for Black Women's sake
Remembering the Cultural Trauma Legacies of Slavery: African American Young Adult Perceptions on Racism, Ethnic Identity, and Racial Socialization
African American Health and Posttraumatic Slave Syndrome: A Terror Management Theory Account
Transgenerational Consequences of Racial Discrimination for African American Health
The Intergenerational Impact of Structural Racism and Cumulative Trauma on Depression
Why don't we see poverty and debt as a trauma?
In bitcoin, Black entrepreneurs see a chance to rebuild generational wealth
What the Tulsa Race Massacre Destroyed
American Capitalism is Brutal. You can Trace That to the Plantation
An act to incorporate the Freedman's Savings and Trust Company
1619'
Slavery in America
The Financial Panic of 1873
The St. Luke Penny Savings Bank
The National Negro Business League (1900-)
Wells Fargo Bank sued for race discrimination in mortgage lending practices
Wells Fargo Rejected Half Its Black Applicants in Mortgage Refinancing Boom
How Racial Inequality Manifests In The U.S. Banking System
Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination
Systemic Barriers to Banking the Unbanked
Exclusive: LinkedIn aims to close "network gap"
Networking Frictions in Venture Capital, and the Gender Gap in Entrepreneurship
Home broadband adoption, computer ownership vary by race, ethnicity in the U.S
Whom You Know Matters: Venture Capital Networks and Investment Performance
Why Sister Rosetta Tharpe Belongs in the Rock and Roll Hall of Fame
"On Fleek" Inventor Kayla Newman AKA Peaches Monroe On Her Beauty Line
Community Development Bankers Association: OneUnited Bank
I Got Access to My Secret Consumer Score. Now You Can Get Yours, Too.
Tech's racial equity gap costs Black & Latinx workers $50B a year
The racial wealth gap: A stark reflection of structural inequality: Lessons learned from two decades of work

Here's why Black TikTok creators are on strike and demanding recognition
White Entrepreneurs Need to Stop Capitalizing on Black Culture,
A 'Forgotten History' Of How The U.S. Government Segregated America
What Is Redlining?
Crypto's Colorblind Promise
How the Pandemic Affected Black and White Households
Why We're Capitalizing Black
The Black Investors Who Were Burned by Bitcoin
MSL Study Reveals Racial Pay Gap in Influencer Marketing
Violence and Economic Activity: Evidence from African American Patents, 1870 to 1940
Video: New Thinking at Berkeley Haas: The Cost of Racism
How much of tech history involves Black history?
Drowned Towns
The Racialized Cost of Banking
CFPB Target Unfair Discrimination in Consumer Finance,
The Case for Reparations
Satoshi is Black
The Case for Reparations
Ariel-Schwab Black Investor Survey (2022)
Racial Equity in Banking Starts with Busting the Myths
The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class
Wealth Matters: The Black-White Wealth Gap Before and During the Pandemic
How Is My Credit Score Calculated?
The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being
Access to Capital for Entrepreneurs: Removing Barriers
Credit scores are supposed to be race-neutral. That's impossible.
Access to Financial Services Matters to Small Businesses
Staggering Loss of Black Wealth Due to Subprime Scandal Continues Unabated
The Dramatic Racial Bias of Subprime Lending During the Housing Boom
Crypto Crash Hits Black Americans The Hardest
Black founders are seeing a decrease in funding amid economic downturn
Why the crypto crash hit black Americans hard
Crypto Collapse Threatens to Leave Black, Hispanic Investors Further Behind
How a 'Payday Loan' Alternative Made a Small Bank a Star On CNBC
The Color of Money: Black Banks and the Racial Wealth Gap

Additional Resources

Looking to the Future: Afrofuturism and Other Embraces of Alternative Futures

Afrofuturism 2.0: The Rise of Astro-Blackness

Race After Technology

What The Heck Is Afrofuturism?

'It Started From Nothing.' Black NFT Artists on Inheriting the Legacy of Hip-Hop and Jazz

Black Culture Applied to Technology

Growing the creative economy in Detroit with founder of Afrotopia

What Is Afrofuturism?

The World of Black Sci-fi & Fantasy Culture

Black to the Future: Interviews with Samuel R. Delaney, Greg Tate and Tricia Rose

Black Cooperatives

The Underground Railroad: On the Road to Freedom

Swing Low Sweet Chariot by Etta James

Afrofuturism in Black Music

Parable of the Sower

What Atlanta Can Teach Tech About Cultivating Black Talent

Black Skins, White Masks

'It Started From Nothing.' Black NFT Artists on Inheriting the Legacy of Hip-Hop and Jazz

An Introduction to Frantz Fanon's Black Skin White Masks A Macat Sociology Analysis

Marie van Brittan Brown

Marie van Brittan Brown-Creating CCTV in Queens

George Washington Carver "The Plant Doctor" Revolutionized Farming Industry

George Washington Carver, The Black History Monthiest Of Them All

Afrofuturism and Outsider Tech - How We Get To Next

Afrofuturism as a Safe Space for Radical Decolonizing

Inside the stunning Black mythos of Drexciya and its Afrofuturist '90s techno

We're working towards Afrofuturism': inside a radical new NFT exhibition

To expand the economy, invest in Black businesses

Snoop Dogg reveals himself as NFT kingpin Cozomo de' Medici

GFT Throughout U.S. History

SLAVERY (1619 - 1860)

African people were brought to the U.S. colonies to work as slaves. Systems of antiblackness were developed and refined throughout this time.

See here to return to the abbreviated timeline in the report.

1600s
THE U.S. CHATTEL SLAVERY SYSTEM IS BORN

In 1619, the first Africans were brought to Jamestown, VA as indentured servants and traded for goods. Over the decades that followed, industrial leaders built a legalized system of chattel slavery. Enslaved African people worked on the land that would become the first U.S. plantations. Plantation owners saw their enslaved workers as property to be bought and sold, traded, mortgaged, and used as collateral against their loans in order to buy more enslaved workers. These laws and customs set up the framework for modern mortgage lending and collateralized debt obligations (C.D.O.s).

1770s
DEMAND FOR SLAVES INCREASES

The United States doubled-down on chattel slavery while other empires debated the ethics of people as property. In both of the founding documents of the United States (the Declaration of Independence in 1776 and the Constitution in 1787), the concept of 'property' included (code for) enslaved people and deemed Black people to be sub-human.

1800s
RISE OF THE COTTON ECONOMY

By this time, cotton was the nation's most valuable export, and cotton farmers demanded more land and slave labor to support surging production. Large-scale cultivation of cotton gave rise to textile mills and set the stage for the development of factories and industrial business practices.

1837
PANIC OF 1837

From 1830 to 1837, U.S. cotton production nearly doubled and led to the emergence of a global market and expanded banking system. Following rapid economic expansion, wild speculation, and risky lending practices, a sharp fall in cotton prices beginning in 1834 was a major trigger of the Panic of 1837. This led to a major economic depression, and slave owners found themselves unable to finance their own banks in their own states.

1857
THE DRED SCOTT DECISIONS

Five years before emancipation, in a landmark decision in the case of ***Dred Scott v. Sandford***, the U.S. Supreme Court declared that people of African ancestry were not U.S. citizens. The legal and emotional implications of Black people being considered property is key to understanding the ongoing fight for sovereignty.

ECONOMIC

POST EMANCIPATION (1860s - EARLY 1900s)

Formerly enslaved people were legally freed and gained access to financial tools for the first time. They began to establish their own systems and build wealth. Early efforts and successes were quickly curtailed by white U.S. residents, contributing to mistrust of U.S. financial institutions that endures to this day.

See here to return to the abbreviated timeline in the report.

1865-1877
BRIEF PERIOD OF RECONSTRUCTION

In the years following emancipation in 1863, Black people's interests were minimally represented in government. The passing the National Currency Act of 1863 and the National Bank Act of 1864 established the Office of the Comptroller of the Currency (OCC), a group that would influence banks for centuries to come. The 13th, 14th, and 15th Amendments to the Constitution—collectively known as the Reconstruction Amendments—granted Black people the rights and protections of citizenship and formally abolished slavery.

1866
A FAILED CIVIL RIGHTS ACT

One of the most expansive pieces of civil rights legislation Congress has ever attempted to pass codified Black U.S. citizenship for the first time, prohibited housing discrimination, and gave all U.S. citizens the right to buy and inherit property, make and enforce contracts, and seek redress from courts. President Andrew Johnson vetoed the bill, deeming it an encroachment of the national government into state jurisdictions, setting the stage for some states more than others to offer more protection and opportunity for Black people.

1860s
FREEDMAN'S BANK

Chartered by Congress in 1865, the Freedman's Bank was founded in relation to the Freedman's Bureau - an early attempt of a social services agency - to develop financial literacy of Black people as they transitioned out of slavery. After initial success, the Bank failed in 1874 following an economic spiral and expanding bank powers without oversight or risk management. This resulted in Black depositors losing the majority of their wealth, marking a renewed period of wealth-stripping – and planting the seed of Black communities' collective mistrust of traditional financial systems.

1900s
NATIONAL NEGRO BUSINESS LEAGUE

In response to the Reconstruction Amendments, Jim Crow laws began to take hold in the 1860s preventing Black businesses from flourishing. Booker T. Washington founded the NNBL in 1900 to provide critical services to Black-owned businesses. Black-financing companies, AIFC and NNFC, grew out of the NBBL and focused on communal approaches to social economic development and wealth building. They were barred from trading their stock on any exchanges, placing high individual risk on Black investors, before ultimately failing.

1900s
TULSA MASSACRE

After a period of Black prosperity and gains, a national campaign of violence and governmental abuse culminated in an attack on a prosperous black neighborhood in Tulsa, OK. The area, sometimes called Black Wall Street, was burned and looted, leaving approximately 300 Black people dead and 10,000 homeless. This period also saw the intentional exclusion of Black people from government wealth-building programs like Social Security and minimum wage.

ECONOMIC

CULTURAL

CONTEMPORARY ANTIBLACKNESS (1920 - 2000s)

Discrimination against Black U.S. citizens became systematized through governmental policies, predatory business models, and weighted risk-assessment systems.

See here to return to the abbreviated timeline in the report.

**1930s
REDLINING**

Efforts to thwart foreclosures in the aftermath of the Great Depression spawned the Federal Housing Administration (FHA) in 1934 and subsequent government homeownership programs. These programs encouraged geographical segregation by refusing to insure mortgages or subsidize construction in and near neighborhoods with primarily Black residents. Historic race-based exclusionary tactics still impact Black people making it increasingly hard for them to earn more, access lending, buy homes and build equity.

**1934
ACCESS TO LENDING**

Ever since FHA redlining labeled Black communities as hazardous to lenders, it has become increasingly difficult for Black people and businesses to borrow money from traditional banks. The Federal Reserve consistently reports that Black-owned firms are less likely to receive approval for financing when compared with otherwise similar white-owned firms. Less than 1% of mortgages are granted to Black applicants at banks that aren't Black-owned.

**1950s
GREAT MIGRATION**

Beginning in 1910 and extending through 1970, six million Black people moved from the American South to Northern, Midwestern, and Western states seeking better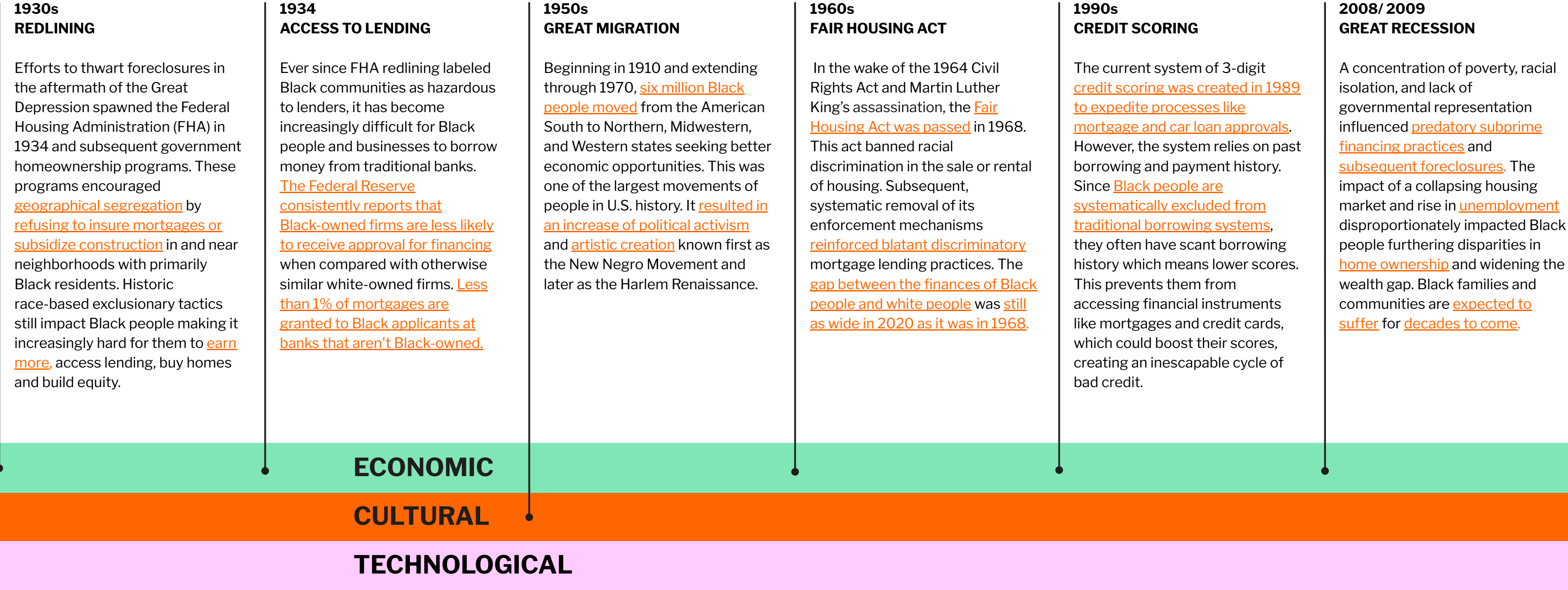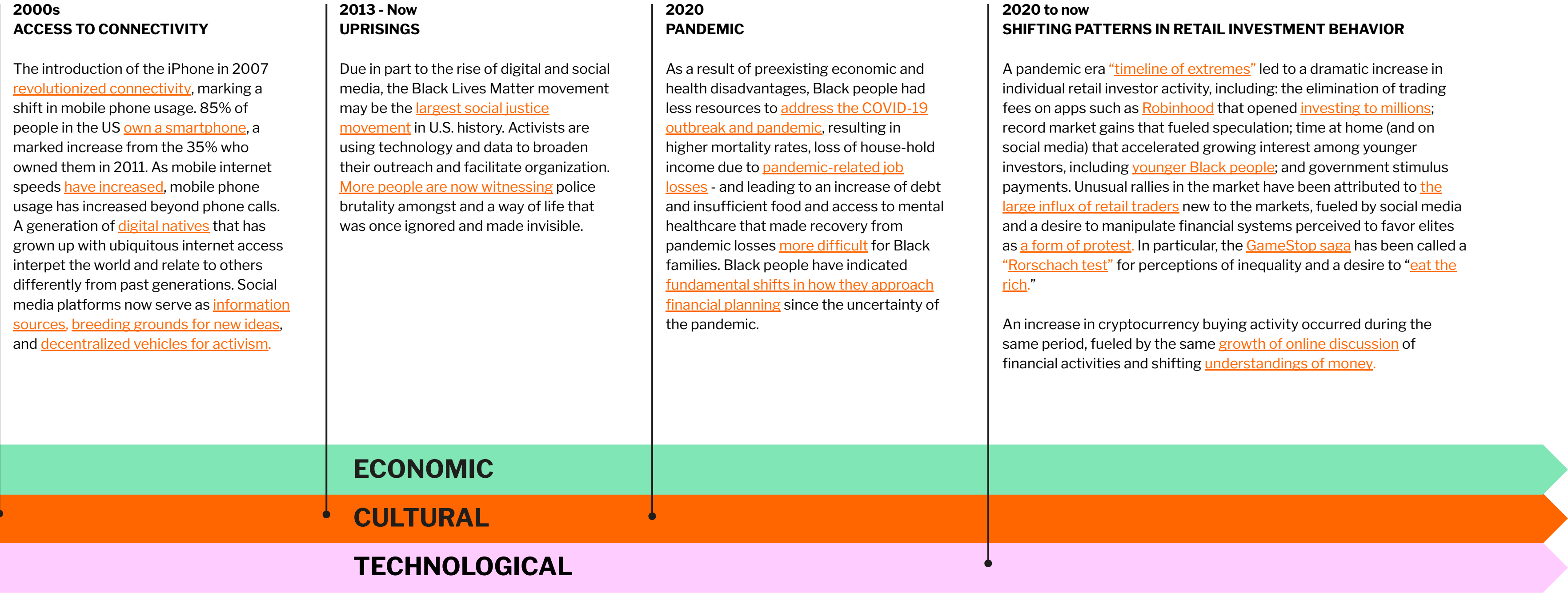 economic opportunities. This was one of the largest movements of people in U.S. history. It resulted in an increase of political activism and artistic creation known first as the New Negro Movement and later as the Harlem Renaissance.

**1960s
FAIR HOUSING ACT**

In the wake of the 1964 Civil Rights Act and Martin Luther King's assassination, the Fair Housing Act was passed in 1968. This act banned racial discrimination in the sale or rental of housing. Subsequent, systematic removal of its enforcement mechanisms reinforced blatant discriminatory mortgage lending practices. The gap between the finances of Black people and white people was still as wide in 2020 as it was in 1968.

**1990s
CREDIT SCORING**

The current system of 3-digit credit scoring was created in 1989 to expedite processes like mortgage and car loan approvals. However, the system relies on past borrowing and payment history. Since Black people are systematically excluded from traditional borrowing systems, they often have scant borrowing history which means lower scores. This prevents them from accessing financial instruments like mortgages and credit cards, which could boost their scores, creating an inescapable cycle of bad credit.

**2008/ 2009
GREAT RECESSION**

A concentration of poverty, racial isolation, and lack of governmental representation influenced predatory subprime financing practices and subsequent foreclosures. The impact of a collapsing housing market and rise in unemployment disproportionately impacted Black people furthering disparities in home ownership and widening the wealth gap. Black families and communities are expected to suffer for decades to come.

ECONOMIC

CULTURAL

TECHNOLOGICAL

DIGITAL ACCESS IN PRESENT DAY (2000s to now)

Global and domestic events contributed to a cultural paradigm shift in which inequities were surfaced and new alternatives arose.

See here to return to the abbreviated timeline in the report.

2000s
ACCESS TO CONNECTIVITY

The introduction of the iPhone in 2007 revolutionized connectivity, marking a shift in mobile phone usage. 85% of people in the US own a smartphone, a marked increase from the 35% who owned them in 2011. As mobile internet speeds have increased, mobile phone usage has increased beyond phone calls. A generation of digital natives that has grown up with ubiquitous internet access interpet the world and relate to others differently from past generations. Social media platforms now serve as information sources, breeding grounds for new ideas, and decentralized vehicles for activism.

2013 - Now
UPRISINGS

Due in part to the rise of digital and social media, the Black Lives Matter movement may be the largest social justice movement in U.S. history. Activists are using technology and data to broaden their outreach and facilitate organization. More people are now witnessing police brutality amongst and a way of life that was once ignored and made invisible.

2020
PANDEMIC

As a result of preexisting economic and health disadvantages, Black people had less resources to address the COVID-19 outbreak and pandemic, resulting in higher mortality rates, loss of house-hold income due to pandemic-related job losses - and leading to an increase of debt and insufficient food and access to mental healthcare that made recovery from pandemic losses more difficult for Black families. Black people have indicated fundamental shifts in how they approach financial planning since the uncertainty of the pandemic.

2020 to now
SHIFTING PATTERNS IN RETAIL INVESTMENT BEHAVIOR

A pandemic era "timeline of extremes" led to a dramatic increase in individual retail investor activity, including: the elimination of trading fees on apps such as Robinhood that opened investing to millions; record market gains that fueled speculation; time at home (and on social media) that accelerated growing interest among younger investors, including younger Black people; and government stimulus payments. Unusual rallies in the market have been attributed to the large influx of retail traders new to the markets, fueled by social media and a desire to manipulate financial systems perceived to favor elites as a form of protest. In particular, the GameStop saga has been called a "Rorschach test" for perceptions of inequality and a desire to "eat the rich."

An increase in cryptocurrency buying activity occurred during the same period, fueled by the same growth of online discussion of financial activities and shifting understandings of money.

ECONOMIC

CULTURAL

TECHNOLOGICAL

Afrofuturism throughout History

Afrofuturism is a contemporary framework that encompasses a diverse range of thinking that reimagines the future for Afro-descendents.

With roots in art, philosophy, and activism from across the African diaspora, Afrofuturism imagines alternatives to current paradigms. Many of these visions subvert dominant power structures in which Black people are subject to violence due to their status in society.

See here to return to discussion of key blockchain themes in the report.

While there is no single definition for Afrofuturism, key thinkers in the United States have proposed a handful of commonly referenced approaches.

From fringe to mass, from literary to multimodal
Ytasha Womack notes that Afrofuturism has evolved from a fringe literary genre to a mass, multidisciplinary global movement.

Reimagining futures
Mark Dery coined the term Afrofuturism in the 1990s to describe Black artists' answer to the question of whether a community with a painful past can imagine brighter and achievable futures.

The four thematic pillars of Afrofuturism
Scholar and artist Ytasha Womack identified four themes across Afrofuturist literature and artwork: liberation, the future, technology, and imagination.

Afrofuturism is a rich and highly diverse tradition. Please see the Appendix for more resources.

Liberation

Black people's definition of liberation has evolved over time, but has always encompassed **being free from dominant power structures**.

Although the term hadn't been coined yet, enslaved people used Afrofuturist frameworks when they imagined a world in which they were free. This vision of a brighter future gave them the courage to seek liberation.

See here to return to discussion of key blockchain themes in the report.

Crypto Research & Design Lab

Music has been a popular vehicle for escape narratives.

Music has been a critical medium for the exploration of the Black experience in the U.S. Afrofuturist escape narratives commonly reference transportation vehicles as a technology of liberation. The popular 19th century slave spiritual, "Swing Low, Sweet Chariot" is an early example of Afrofuturism. The song references Elijah's biblical chariot as a vehicle for liberation from slavery. During a performance in 1976, George Clinton and Parliament-Funkadelic lowered down a spaceship as their vehicle while singing about liberation and referencing the the chariot from "Swing Low, Sweet Chariot."

Click the button to listen to "Swing Low, Sweet Chariot".

Parliament's original spaceship lowered onto stage in 1976

Other examples:

- Harriet Tubman's Underground Railroad created a passage to freedom for thousands of freed slaves using geo-embedded cryptography.

- Frantz Fanon's 1952 book "Black Skin, White Masks" inspired anti-colonization independence movements around the world.

The Future

Afrofuturist works actively conceive of empowered and hopeful futures built on alternative power structures that enable Black people to thrive.

*"'Space could be our future,' I say. I believe that. As far as I'm concerned, **space exploration and colonization are among the few things left over from the last century that can help us more than they hurt us.** It's hard to get anyone to see that, though, when there's so much suffering going on just outside our walls."*

Parable of the Sower, Octavia Butler, p. 20

See here to return to discussion of key blockchain themes in the report.

Crypto Research & Design Lab

Afrofuturists critique the present by envisioning the future.

Afrofuturist depictions of the future are frequently optimistic, but may also be framed as **cautionary tales**.

In her seminal 1993 novel *Parable of the Sower*, Octavia Butler paints an eerily prescient, dystopian vision of climate change and late-stage capitalism in 2020s California to critique existing governmental and economic systems in the United States. The book's young protagonist, Lauren, **accepts her bleak present while working to build a more hopeful future**. She creates a belief system called Earthseed that embraces change and action as forms of deity, and urges her followers to become agents of positive change. Earthseed's followers are also encouraged to **flee the dying Earth and bring their philosophy to new planets**, fulfilling what Lauren calls "The Destiny."
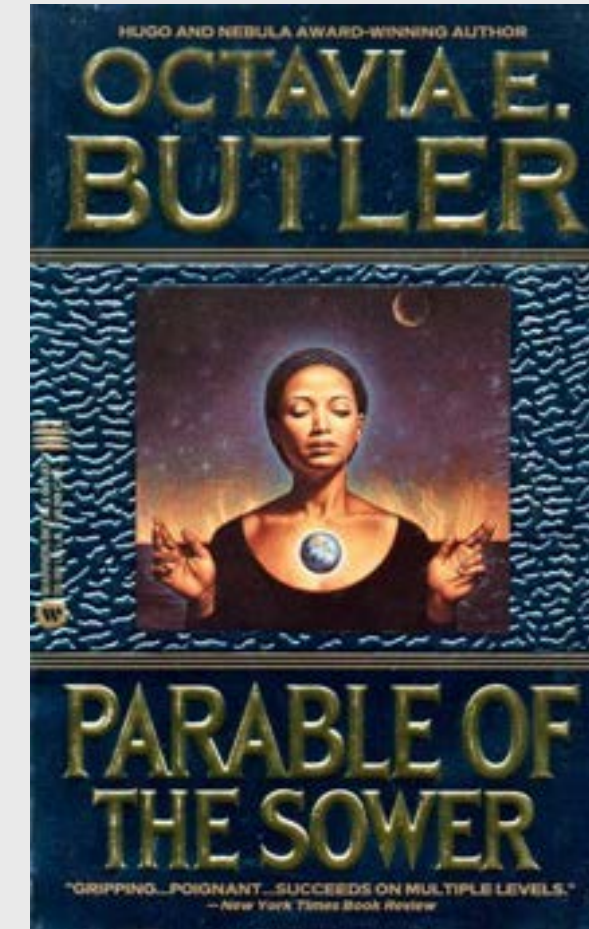
Other example:

- Marvel's 2018 film "*Black Panther*" illustrates the possibilities of the future of an African country unspoiled by outside forces of oppression.

Imagination

Imagination and storytelling can enable Black people to transcend their current realities and envision worlds where they achieve greatness and openly celebrate their culture.

In addition to imagining entirely new places and societies, Afrofuturists may draw upon elements from folklore and mythology to create alternate realities.

See here to return to discussion of key blockchain themes in the report.

Crypto Research & Design Lab

Various artists have envisioned new civilizations in their creative works.

Afrofuturists create alternate realities and fantastical worlds to both heal the past and conceptualize the future.

In the 1990s, Drexciya—a Detroit-based techno duo consisting of the late James Stinson and Gerald Donald—released 5 EPs that described an advanced underwater civilization built by the descendants of pregnant African women who were thrown overboard from slave ships while in labor. Their work both imagined a new world and **reclaimed the history of the Transatlantic Slave Trade**.

Click the button or the image above to view the video.

Source: Youtube: Drexciya--Andreaen Sand Dunes, 2008.

Other example:

- Visionary jazz musician Sun-Ra's "Astro-Black mythology" helped listeners imagine a world apart from the oppression and violence of the present day.

Technology

Technology is critical to the evolution and optimization of human livelihood. Through an Afrofuturist lens, science and technology are seen as tools to improve livelihoods, restore agency, and build a safer future for Black people.

See here to return to discussion of key blockchain themes in the report.

Crypto Research & Design Lab

Afrofuturists reclaim control and safety through tech.

Afrofuturists view technology, invention, and scientific discovery as means of reclaiming power and transforming the world.

In 1966, New York City resident Marie van Brittan Brown realized she needed more control over her personal safety. She didn't trust local police to keep her home safe, so she invented a way to monitor her surroundings independently. Brown drew upon existing tech—including remote controls and video cameras—to create the the first closed-circuit television security system.

An early Afrofuturist creator, **Brown reclaimed her agency by imagining and building new tech** to keep herself and her home safe.

Click the button or the image above to view the video.

Source: Youtube: Marie van Brittan Brown-Creating CCTV in Queens, July, 2020.

Other example:

■ Botanist George Washington Carver is credited with discovering the use of compost as a way to rejuvenate the soil, making farming sustainable for poor Black farmers. His scientific insights shaped farming technologies for decades to come.

GFT and Cultural Theft

Cultural theft reinforces the feelings of loss associated with strictly financial GFT.

The value of Black culture is separated from Black people. Rather than being seen as an extension of Black people and how they have adapted to live in the world, Black culture is often treated as a commodity that can be bought and sold. It allows society to embrace Blackness without having to actually embrace Black people, a form of hypocrisy Black U.S. residents have long faced.

"Black American culture has always been one of America's greatest exports, particularly throughout the 20th century…It has actually done important labor in terms of connecting global communities, both in terms of the interests of the United States and just people across the globe."

Mark Anthony Neal, chair of the department of African & African-American studies at Duke University.

See here to return to discussion of GFT in the report.

Time and again, Black culture has been leveraged to create value for everyone but its creators.

"Ask yourself: **How did this particular thing I want to sell (or "reinvent") even come into existence?"**

Rachel Cargle
Author, Social Entrepreneur, Public Academic, and Philanthropic Innovator speaking directly to product designers about the need to stop capitalizing on Black culture.

See here to return to discussion of GFT in the report.

Entire genres of popular music have emerged with origins in Black music.

- In times where people would not listen to Black artists, white artists profited off their musical style.

- For example, Sister Rosetta Tharpe and Chuck Berry are now acknowledged by music historians for inventing rock 'n' roll, but did not receive widespread acknowledgement for several decades (in particular, as a Black woman, Sister Rosetta Tharpe continues to be overlooked).

- For decades, white music critics preferred to credit white artists like Elvis Presley or white producers like Sam Phillips for creating this style, reinforcing information bubbles and notions of cultural value imposed by segregation.

Black artists are not compensated for their contributions, which are used to market products.

- For example, the phrase "On Fleek" was coined by Peaches Monroee in 2014 on Vine. The video went viral and the phrase was used in popular songs and on t-shirts yet she was never credited or compensated.

Even novel digital environments, which have created entirely new economies, follow the cycle of appropriation and lack of compensation or attribution for young Black creators.

For example, Black creators on Tik Tok are not credited nor compensated for their original choreography when their dance moves go viral (see video at left). In protest, Black TikTokers ceased to publish their choreography on the app to protect their intellectual property and bring attention to their rights as creators.

See here to return to discussion of GFT in the report.

WHAT WE KNOW NOW

BLACK CREATOR TIKTOK STRIKE

Just the FAQs

Click the button or the image above to view the video.
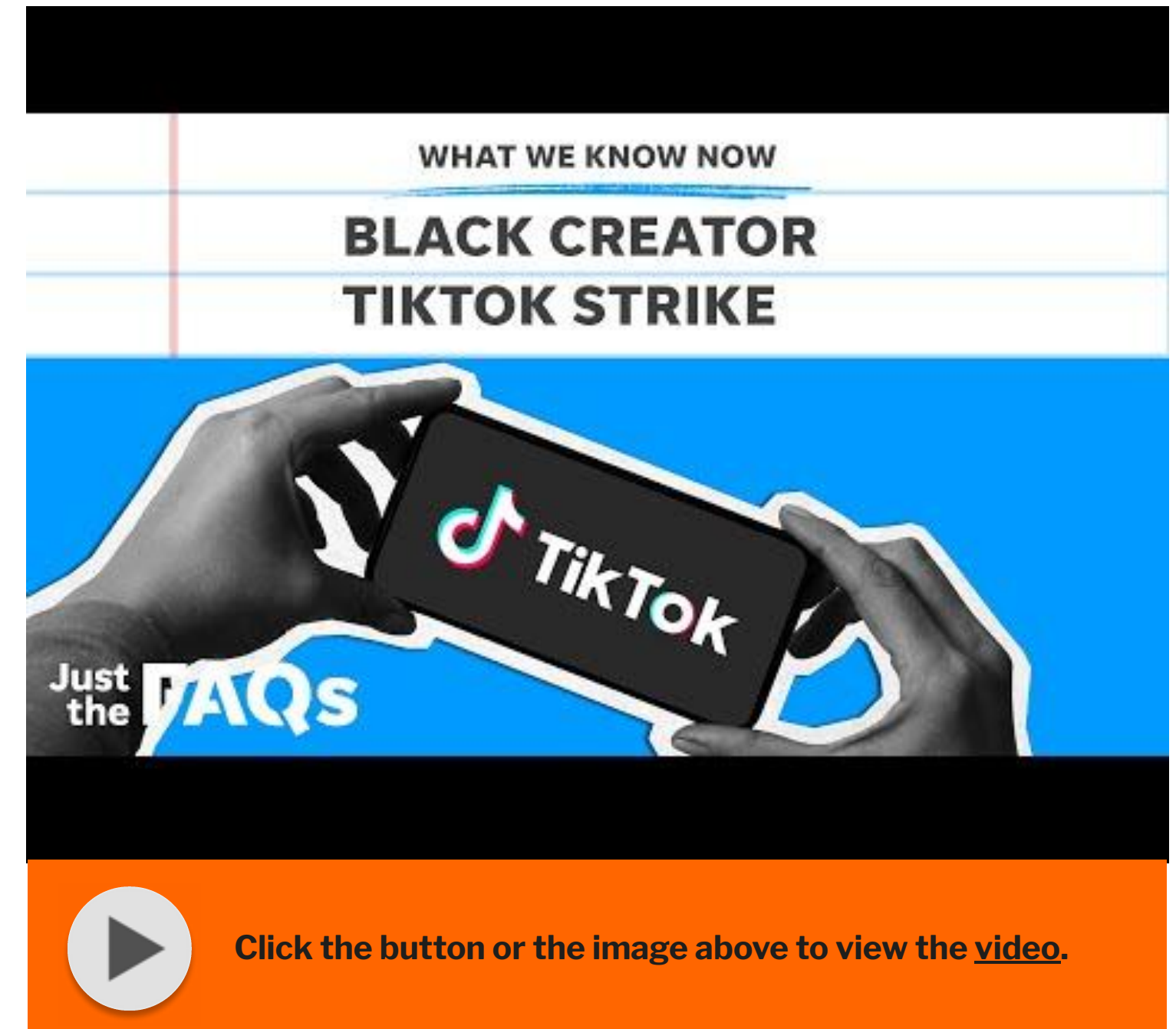
USA Today reporter Steven Vargas tells the story of Black Tik Tok creators going on strike in reaction to feeling overlooked and seeing their artistry co-opted by other users.

Crypto Research & Design Lab

How We Acquired the Data

How we acquired the data

This report shares stories we heard directly from a wide range of people, organizations, community leaders, and event attendees.

BUILDERS AND COMMUNITY LEADERS

Najah Roberts, Founder
Crypto Blockchain Plug

Najah founded a brick and mortar community space offering 1:1 Bitcoin onboarding education called the Crypto Blockchain Plug which we visited in Inglewood, California.

Nile Ferrel, Founder
Nu Africa Foundation

Nile founded the nonprofit organization Nu Africa Foundation to bridge the gap between art and business by educating creators on technological tools.

Tavonia Evans, Founder
GUAP Coin

Tavonia created the decentralized cryptocurrency Guapcoin that aims to unite the Global African Diaspora Community through supporting their businesses and economies.

Hill Harper, Co-founder
The Black Wall Street App

Hill co-founded The Black Wall Street App, a digital wallet that provides educational material and allows for dollar cost averaging cryptocurrency investments.

Newton Sanon, President & CEO
OIC South Florida

Newton is President and CEO of OIC South Florida community center addressing poverty and financial trauma through informative and interactive wealth management workshops

Nea Simone, Founder
Melanated Studios

Nea founded Melanated Studios, a blockchain services provider offering creators the opportunity to capitalize off their work using NFTs.

Aswaad English, Founder
Blockchain Millionaire

Aswaad is the founder of the Blockchain Millionaire creative agency bridging the gap between people who have followings and the financial opportunities available on the blockchain

How we acquired the data

This report shares stories we heard directly from a wide range of people, organizations, community leaders, and event attendees.

BUILDERS AND COMMUNITY LEADERS

Mwosa Edosomwan, Founder
DIGITVL

Mwosa is the founder of DIGITVL a marketplace for creators who want to learn how to monetize their creations and sell them using blockchain and NFTs.

Emanuel Perez, Co-founder
Novus

Emanuel co-founded Novus, a Web3 security tool to detect and alerts users of phishing links and fraudulent contract addresses.

Rodney Sampson, Co-Founder & CEO
Piksel Technology Corp

Rodney is Co-founder and CEO of Piksel Technology Corp, a legacy streaming software technology and cloud infrastructure that allows users to stream contact to over 1B viewers in the Metaverse
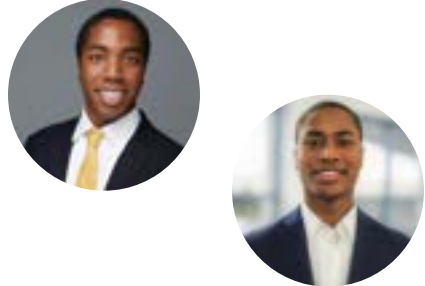
Ingrid LaFleur, Founder
The Afrofuture Strategies Institute

Ingrid founded The Afrofuture Strategies Institute a holistic consulting agency that strives to teach communities how to anticipate change in industries that affect them and strategize accordingly.

James Andrews, Founder
Authenticated

James founded Authenticated startup factory and brand advisory designed to build better companies, launch new ideas and illuminate influential people through experiences, content, advisory and investments.

Rusty and River FIelds
RHouse

The Fields brothers founded RHouse a hacker house community founded in Bed Stuy, Brooklyn and built for Black engineers, founders, creators and their allies.

Yusuf Abdul-Ali, Founder
The Bitcoin Classic

Yusuf aka 'Sef' founded The Bitcoin Classic traveling basketball tournament that awards the champions in Bitcoin and spreads awareness of the cryptocurrency.

How we acquired the data

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BUILDERS AND COMMUNITY LEADERS

Diana Sinclair,
Multidisciplinary Artist
Opensea Gallery

Diana is a multidisciplinary artist who found success and community in Web3 and organizes the yearly Digital Diaspora art show featuring Black artists in Web 3.

Howard Spann,
Multidisciplinary Artist
At Peace

Howard is an artist and tea expert who intended to open a tea house that became a the popular gallery known as At Peace. The gallery closed down due to the pandemic and Spann created a digital marketplace of At Peace. The digital gallery allows you to buy art while funding community projects.

How we acquired the data

This report shares stories we heard directly from a wide range of people, organizations, community leaders, and event attendees.

BUILDERS AND COMMUNITY LEADERS

Erin Cohee, VP of Digital Consumer Experience OneUnited Bank

At Consensus 2022 , Erin Cohee spoke on the "Is My Algorithm Biased?" panel about OneUnited Bank, the largest Black owned bank in America. OneUnited Bank is *"the first Black internet bank"* whose goal is to increase Black participation in finance through accessible brick and mortar banks in underserved neighborhoods

Israel Wilson, Strategy & DEI Advisor

Israel's extensive experience in Web3 as a strategist, community advisor, and DEI consultant has given him a unique perspective on the roles relegated to Black people in the Web3 industry.

Asher DeMadet, Software Engineer and Crypto Podcaster

Using her knowledge in software engineering and her podcast , Your Crypto Honey, Asher has a mission to educate people on the future of blockchain and inspire them to be a part of the industry's development.

Rudel Hodge, Future Web3 Lawyer

Rudel is a recent graduate of Florida International University with a JD in Intellectual Property in Web3. His goal is to become a lawyer who practices IP in Web3.
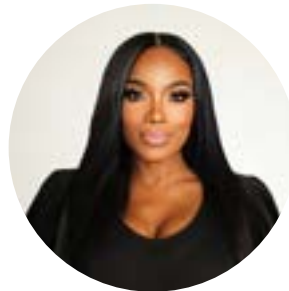
Tcharyne Virgil, Web3athon Contestant

Using her expertise in financial education and her network, Tcharyne organized a team to create HBCU Made, a decentralized app that was built for the Web3athon 2022 hackathon.

Lucy Edosomwan Crypto Buyer & Web3athon Contestant

Lucy is a financial educator and crypto purchaser. She has onboarded her parents to purchasing crypto and is recognizes the responsibility she has to give them accurate and safe information.
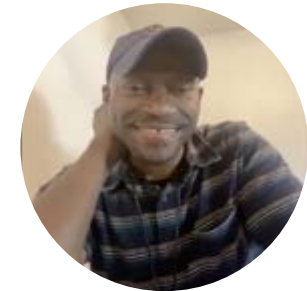
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INDIVIDUAL CRYPTO BUYERS

Jasmine Barnes
Crypto Buyer

Jasmine is an artist who was introduced to buying cryptocurrency through the advise of a loved one in 2017.

Shawn
Crypto Buyer

Shawn is a single father of 2 who has a metaphysical perspective on cryptocurrency and a desire to build a different financial life for himself and his family.

Xaxum
Crypto Buyer

Xaxum is a writer and single parent who had to sell the crypto they owned to make ends meet and they are interested in buying again.

Anonymous
Crypto Buyer

This participant was skeptical of crypto but bought some shares of Ethereum via Robinhood in 2021 before the crash. After the crash, they are taking the time to learn more about the industry before buying again.

Anonymous
Crypto Buyer

This participant knew about cryptocurrency since 2014. He invested in crypto, but does not focus on it in his day to day. He finds more empowerment in "real money".

Joel Sylvain
Financial Advisor

Joel is financial advisor with a background in music who offers investment advice and has a nuanced perspective of the results that blockchain has on the music and art industries through NFTs.

How we acquired the data

We attended a range of Web3 ecosystem events focused on both general and Black audiences.

Consensus 2022 by Coindesk
We attended the world's largest crypto, blockchain and Web3 conference

Web3athon by CoinDesk and CRADL
We hosted a humanity-centered hyperlocal hackathon

NFT NYC Satellite Events
We started conversations at events independent of the official NFT NYC gathering

NFT Atlanta Con
We spoke about the Web3 space with attendees at a DEI-focused conference

I.D.E.A.S. by Coindesk
We attended and contributed to a renowned conference for Web3 innovators.

The Bitcoin Classic at Rucker Park
We watched a traveling basketball tournament that offers prizes in Bitcoin

Prophytes App Launch
We attended the launch of an app for Divine Nine members while in Atlanta
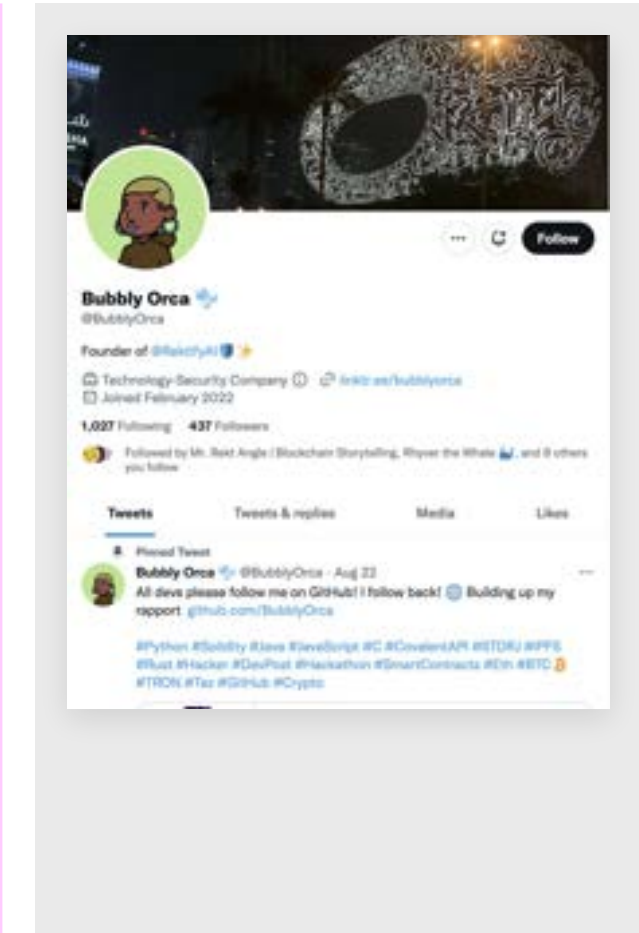
RHouse Community Event
We went to a hacker house event meant to bridge the gap between local residents and the cohort

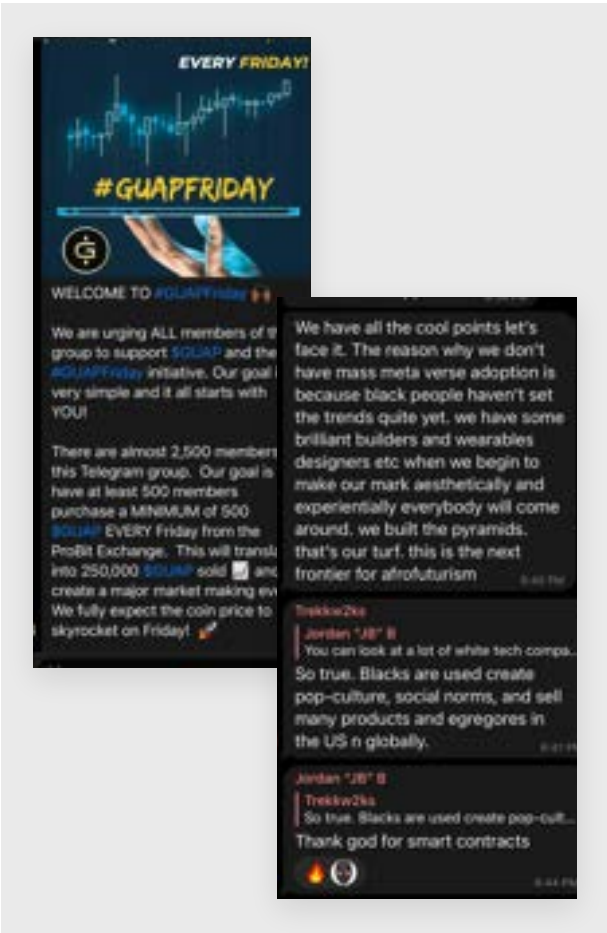Crypto Research & Design Lab

How we acquired the data

We surveyed five online spaces frequented by Black users of crypto and other Web3 applications.

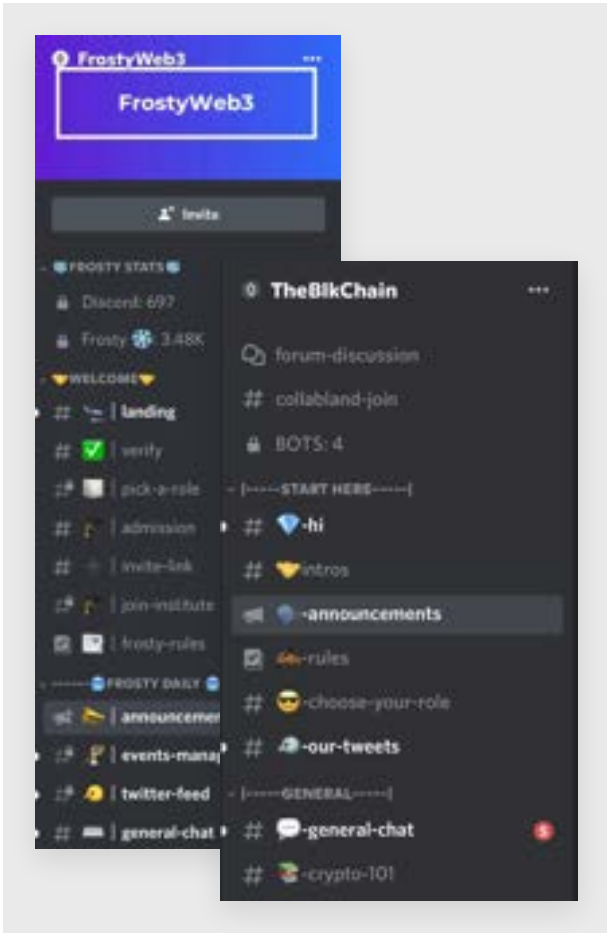

We followed key builders and thought leaders to gain insight on trends. For example we followed Rektify AI founder Jasmine Brunson on Twitter to better understand her experience as a Black female founder in Web3.

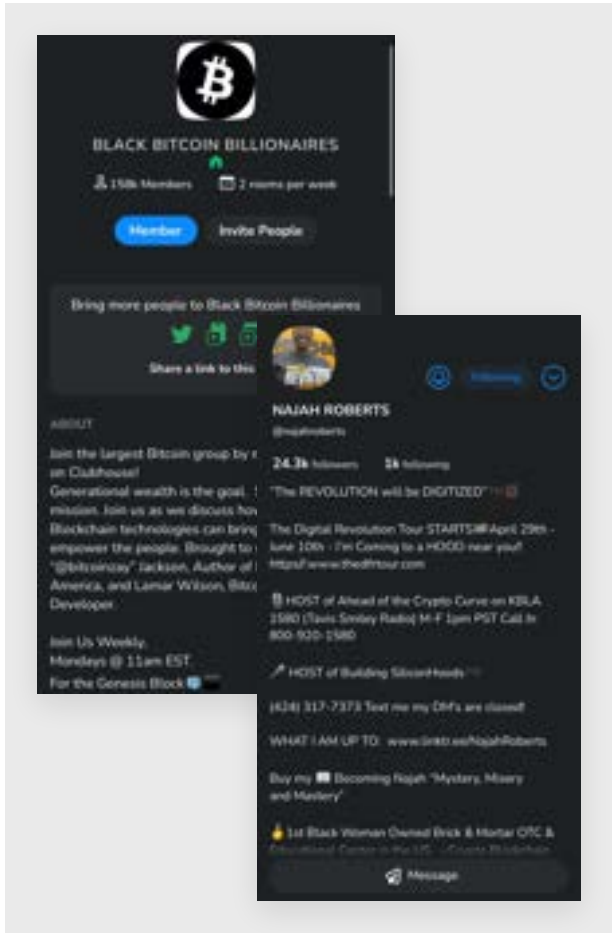We tuned in to Wakanomy Twitter Spaces for insight on how the evolution of peer-to-peer marketplaces.

We joined the BLKW3B and Guapcoin Telegram groups to take part in conversations among active Web3 builders and crypto buyers.

We joined Frosty Web 3 and TheBlkChain groups on Discord to explore how Web3 is being discussed on the platform

We subscribed to Black Bitcoin Billionaire and Najah Roberts on Clubhouse to hear sessions designed to onboard new users to Web3.

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CRADL is a research organization committed to objectively documenting people, organizations, and activities in the crypto ecosystem and their impact on the broader industry.

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