

What Voters Need To Know About The Racial Wealth Gap

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Wealth, defined as someone's assets minus their liabilities, represents a kind of freedom in America: It allows for self-determination and opportunity. Wealth allows those who hold it to go to school or send their kids to college, to buy a house, save for uncertainty in the future, leave a bad job, or get through an unexpected health crisis, unemployment or old age. Denying that opportunity for millions of people of color is a violation of the fundamental American tenet of liberty.

The wealth divide is rooted in the very foundation of American history. The American economy, after all, was built on slave labor – white landowners became wealthy precisely *because* of the labor they forced upon black Americans. Ultimately, today's wealth gaps are the culmination of decades of discriminatory policy choices combined with outright racism.

Time and time again, policies that would have given black Americans a foundation upon which to build wealth didn't come to fruition. Reconstruction-era calls for "40 acres and a mule" – the original call for reparations – never came to be. New Deal-era policies kept many workers of color from receiving Social Security, and the Federal Housing Authority, which was established in 1937, denied black Americans loans and put in place redlining policies – the effects of which we can see even today. These policies have kept black Americans from being able to accrue the benefits of homeownership, one of the most important vehicles for asset-building. While the New Deal represented a concerted effort to expand the scope of the federal government to address social and economic inequities, politically motivated exclusions ultimately exacerbated racial inequality.

More recent practices that funneled subprime loans to minority and low-income neighborhoods, the rise of an exploitative higher education system that extracts from low-income students of color and tax policies that increase racial wealth and income divides have only continued these trends.

Source:

<https://www.forbes.com/sites/rakeenmabud/2019/05/15/what-voters-need-to-know-about-the-racial-wealth-gap/#6fc55a353755>

NOTE: Neither the excerpt above nor the full article includes an examination of reparations for Native Americans. Please see *The Color of Wealth* (Lui, Robles, Leondar-Wright, Brewer and Adamson, 2006) chapter two: *Land Rich Dirt Poor* for an introductory analysis of the challenges to wealth-building in Native American communities.

Racial Wealth Gap Chart

“Wealth” is the value of your assets minus your debts. Wealth is accumulated by inheriting and earning money then doing things with that money so that it grows. A 2015 study on the racial wealth gap by Demos/Institute on Assets and Social Policy found that the U.S. racial wealth gap is huge and aided by public policy decisions: https://www.demos.org/sites/default/files/publications/RacialWealthGap_1.pdf

	Wealth	Income	Home Ownership
BLACK	Median household wealth holdings: \$7,113 . Median means half of Black families had more than \$7,113, and half had less.	Median household income for the year: \$32,028 . Data from the 2015 Demos and IASP Report	45 percent of Black people own homes. (Demos/IASP) Home ownership is still considered the best way to save money and accumulate wealth by building equity, or value, in your home.
WHITE	Median household wealth holdings: \$111,146 . Median means half the white people had more than \$111,146 and half had less.	Median household income for the year: \$50,400 Data from the 2015 Demos and IASP Report	73 percent of white people own homes. (Demos/IASP) Equity is the difference between what you owe on your mortgage and what your home is currently worth. For instance, if you owe \$150,000 on your mortgage loan and your home is worth \$200,000, you have \$50,000 of equity in your home.
LATINX	Median household \$8,348 in wealth holdings. Median means half the Latinx people had more than \$8,348 and half had less.	Median household income for the year: \$36,840 Data from the 2015 Demos and IASP Report	47 percent of Latinx people own homes. (Demos/IASP) “...The Cabrerias became homeowners again in 2015. ‘For me, the house is something we can pass on to the kids,’ Ricardo says. ‘Paying rent is just like throwing your money away.’” - <i>The Atlantic</i> , Feb 8, 2015, “Is Buying a House Still the Best Way to Build Wealth?”
	All information in this column is from U.S. Census Bureau data.	If public policy equalized incomes so that each additional dollar of income going to Black and Latinx households was converted to wealth at the same rate as white households, median Black wealth would grow \$44,963 , median Latinx wealth would grow \$51,552 and the wealth gap would shrink by 43% (Black people) and 50% (Latinx people) . (Demos/IASP p. 3)	More than half the \$400 billion provided annually to promote home ownership flows to the wealthiest 5 percent of taxpaying households. The bottom 60 percent of taxpayers receive only 4 percent of these benefits; the bottom 20 percent receive almost nothing. Black and Latinx households disproportionately receive little or no benefit. (Demos/IASP p. 6)

Letter to a Slaveholder

The letter below was written by Jourdon Anderson was first published in the Dayton Daily Journal August 7, 1865. In the Journal, the caption above the letter read: The following is a genuine document It was dictated by the old servant, and contains his ideas and forms of expression.

August 7, 1865

To My Old Master, Colonel P.H. Anderson, Big Spring, Tennessee

Sir: I got your letter, and was glad to find that you had not forgotten Jourdon, and that you wanted me to come back and live with you again, promising to do better for me than anybody else can. I have often felt uneasy about you. I thought the Yankees would have hung you long before this, for harboring Rebs they found at your house. I suppose they never heard about your going to Colonel Martin's to kill the Union soldier that was left by his company in their stable. Although you shot at me twice before I left you, I did not want to hear of your being hurt, and am glad you are still living. It would do me good to go back to the dear old home again, and see Miss Mary and Miss Martha and Allen, Esther, Green, and Lee. Give my love to them all, and tell them I hope we will meet in the better world, if not in this. I would have gone back to see you all when I was working in the Nashville Hospital, but one of the neighbors told me that Henry intended to shoot me if he ever got a chance.

I want to know particularly what the good chance is you propose to give me. I am doing tolerably well here. I get twenty-five dollars a month, with victuals and clothing; have a comfortable home for Mandy,—the folks call her Mrs. Anderson,—and the children—Milly, Jane, and Grundy—go to school and are learning well. The teacher says Grundy has a head for a preacher. They go to Sunday school, and Mandy and me attend church regularly. We are kindly treated. Sometimes we overhear others saying, "Them colored people were slaves" down in Tennessee. The children feel hurt when they hear such remarks; but I tell them it was no disgrace in Tennessee to belong to Colonel Anderson. Many darkeys would have been proud, as I used to be, to call you master. Now if you will write and say what wages you will give me, I will be better able to decide whether it would be to my advantage to move back again.

As to my freedom, which you say I can have, there is nothing to be gained on that score, as I got my free papers in 1864 from the Provost-Marshal-General of the Department of Nashville. Mandy says she would be afraid to go back without some proof that you were disposed to treat us justly and kindly; and we have concluded to test your sincerity by asking you to send us our wages for the time we served you. This will make us forget and forgive old scores, and rely on your justice and friendship in the future. I served you faithfully for thirty-two years, and Mandy twenty years. At twenty-five dollars a month for me, and two dollars a week for Mandy, our earnings would amount to eleven thousand six hundred and eighty dollars. Add to this the interest for the time our wages have been kept back, and deduct what you paid for our clothing, and three doctor's visits to me, and pulling a tooth for Mandy, and the balance will show what we are in justice entitled to. Please send the money by Adams's Express, in care of V. Winters, Esq., Dayton, Ohio. If you fail to pay us for faithful labors in the past, we can have little faith in your promises in the future. We trust the good Maker has opened your eyes to the wrongs which you and your fathers have done to me and my fathers, in making us toil for you for generations without recompense. Here I draw my wages every Saturday night; but in Tennessee there

was never any pay-day for the negroes any more than for the horses and cows. Surely there will be a day of reckoning for those who defraud the laborer of his hire.

In answering this letter, please state if there would be any safety for my Milly and Jane, who are now grown up, and both good-looking girls. You know how it was with poor Matilda and Catherine. I would rather stay here and starve—and die, if it come to that—than have my girls brought to shame by the violence and wickedness of their young masters. You will also please state if there has been any schools opened for the colored children in your neighborhood. The great desire of my life now is to give my children an education, and have them form virtuous habits.

Say howdy to George Carter, and thank him for taking the pistol from you when you were shooting at me.

From your old servant,
Jourdon Anderson

Resources for Further Study

Books:

Winbush, Raymond. (2003). *Should America Pay? Slavery and the Raging Debate on Reparations*.
Lui, M., Robles, B., Leondar-Wright, B., Brewer, R., and Adamson, R. (2006) *The Color of Wealth: The Story Behind the U.S. Racial Wealth Divide*.

Articles:

Coates, Ta-Nehesi. 2015. *The Atlantic*. *The Case For Reparations*
<https://www.theatlantic.com/magazine/archive/2014/06/the-case-for-reparations/361631/>

Williamson, Kevin D. 2015. *National Review*. “The Case Against Reparations”
<https://www.nationalreview.com/2014/05/case-against-reparations-kevin-d-williamson/>

Amadeo, Kimberly, June , 2019. *the Balance*. “Racial Wealth Gap in the United States”
<https://www.thebalance.com/racial-wealth-gap-in-united-states-4169678>

Ereshnee Naidu-Silverman, June 25, 2019. *What South Africa Can Teach Us About Reparations*
<https://www.washingtonpost.com/outlook/2019/06/25/what-south-africa-can-teach-us-about-reparations/>

Website:

Movement for Black Lives’ platform on reparations
<https://policy.m4bl.org/reparations/>