

# **Local Action and The Racial Wealth Divide**

Dedrick Asante-Muhammad

Chief of Equity and Inclusion

National Community Reinvestment Coalition

# The Foundation of Racial Inequality

**INDIAN LAND FOR SALE**

GET A HOME  
OF  
YOUR OWN  
ON  
EASY PAYMENTS



PERFECT TITLE  
OF  
POSSESSION  
WITHIN  
THIRTY DAYS

**FINE LANDS IN THE WEST**  
IRRIGATED GRAZING AGRICULTURAL  
IRRIGABLE DRY FARMING

In 1910 the Department of the Interior has been authorized to acquire Indian Land as follows:

| State        | Acres      | Price per Acre | State        | Acres       | Price per Acre |
|--------------|------------|----------------|--------------|-------------|----------------|
| Colorado     | 5,211,221  | \$7.27         | Oklahoma     | 34,064,000  | \$10.14        |
| Idaho        | 17,051,000 | 14.45          | Oregon       | 5,000,000   | 15.43          |
| Kansas       | 1,684,500  | 13.45          | South Dakota | 120,440,000 | 18.53          |
| Montana      | 11,004,000 | 9.88           | Washington   | 4,878,000   | 43.27          |
| Nebraska     | 5,441,000  | 14.65          | Wisconsin    | 5,000,000   | 17.00          |
| North Dakota | 22,020,700 | 9.93           | Wyoming      | 803,000     | 20.64          |

FOR THE YEAR 1910 IT IS ESTIMATED THAT 350,000 ACRES WILL BE OFFERED FOR SALE

For information as to the character of the land under the heading, "INDIAN LAND FOR SALE," in the Department of the Interior, refer to one of the following pages:

WALTER L. FISHER,      ROBERT G. VALENTINE,



*“The foundation of racial inequality is racialized economic inequality and the foundation of economic inequality is wealth inequality.”*

- Race and Economics in the US:
- Racial Inequality has always had economic inequality at its foundation.

# Getting Beyond “Sophisticated Rationalization” and “Self- Deception”

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“Depressed living standards for Negroes are not simply the consequences of neglect. Nor can they be explained by the myth of the Negro’s innate incapacities, or by the more **sophisticated rationalization** of his acquired infirmities (family disorganization, poor education, etc.). They are a structural part of the economic system in the United States.”

“The larger economic problems confronting the Negro community will only be solved by **federal programs involving billions** of dollars...”

“The majority of white Americans consider themselves sincerely committed to justice for the Negro. They believe that American Society is essentially hospitable to fair play and to steady growth toward a middle-class utopia, embodying racial harmony. But unfortunately **this is a fantasy of self-deception and comfortable vanity.**”

Local efforts to address the racial wealth divide must be understood in the context of our overall regressive economy.

### TAX BENEFITS FOR

| MILLIONAIRES          | VS | WORKING FAMILIES |
|-----------------------|----|------------------|
| SAVINGS & INVESTMENTS |    |                  |
| \$126,448             |    | \$10             |
| HOMEOWNERSHIP         |    |                  |
| \$10,636              |    | \$16             |
| RETIREMENT            |    |                  |
| \$9,889               |    | \$64             |
| HIGHER EDUCATION      |    |                  |
| \$0                   |    | \$84             |
| TOTAL FOR 2015        |    |                  |
| \$146,973             |    | \$174            |

Since 1994, the federal government's massive wealth-building spending has more than tripled, going from a little over \$200 billion to \$660 billion in 2015.

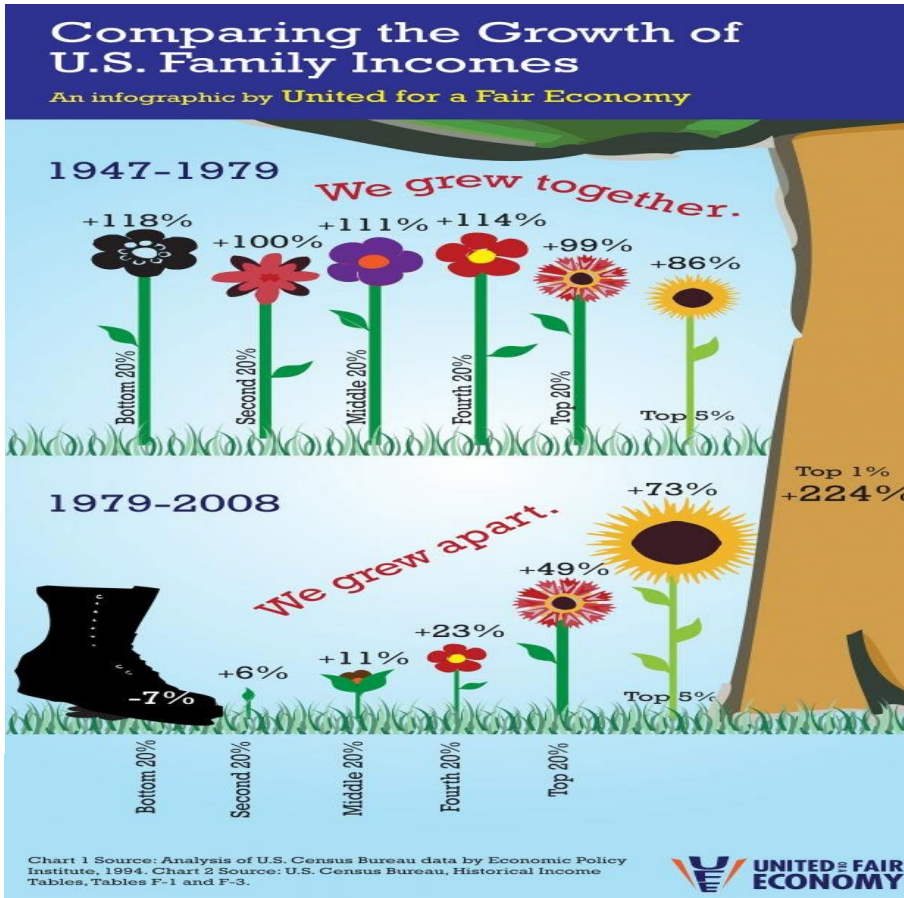


Chart 1 Source: Analysis of U.S. Census Bureau data by Economic Policy Institute, 1994. Chart 2 Source: U.S. Census Bureau, Historical Income Tables, Tables F-1 and F-3.



# Racial Wealth Divide 83 - 2016

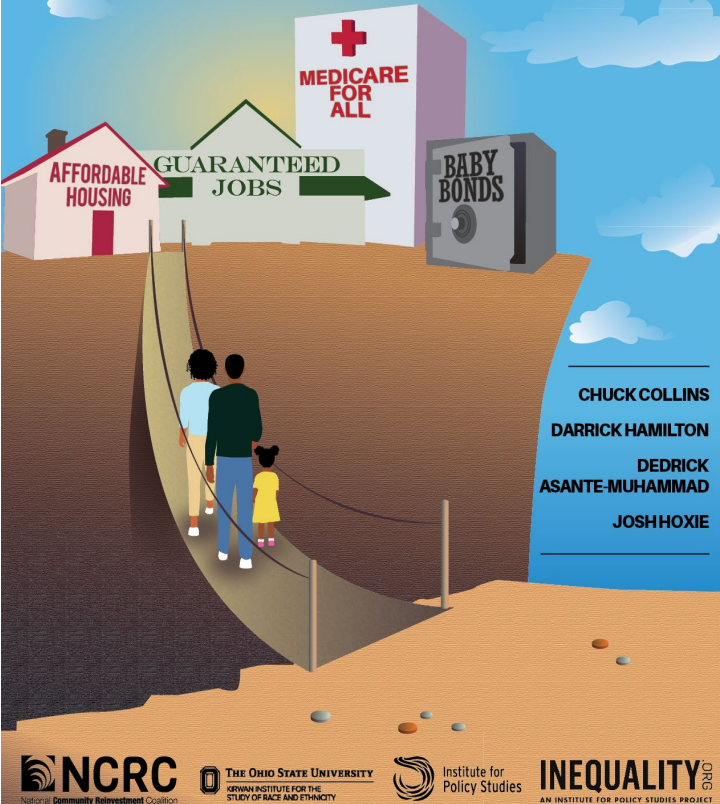


**The Racial Wealth Divide Has Grown Over Three Decades**  
*Median wealth by race, 1983 and 2016*



*Figures adjusted to 2018 Dollars*

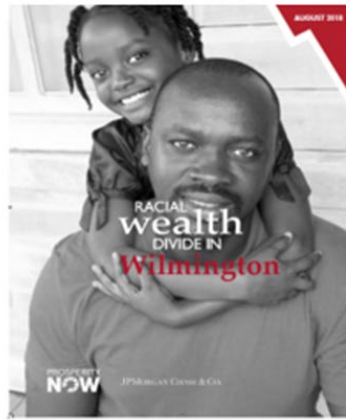
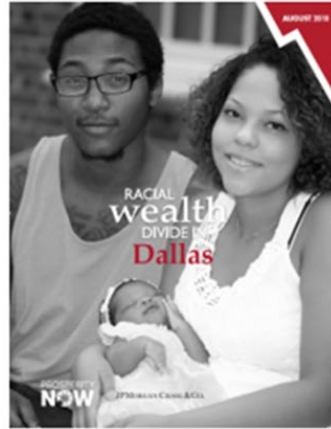
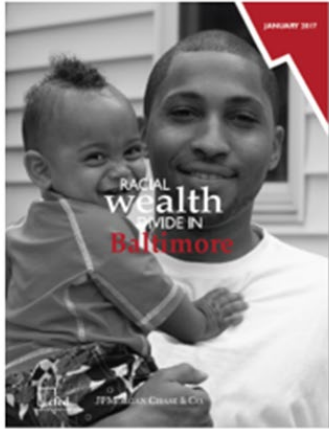
# TEN SOLUTIONS TO BRIDGE THE RACIAL WEALTH DIVIDE



1. Baby Bonds
2. Guaranteed Employment & a Higher Minimum Wage
3. Invest in Affordable Housing
4. Medicare for All
5. Postal Banking
6. Raise Taxes on the Ultra - Wealthy
7. Turn Upside Down Tax Expenditures Right Side Up
8. Congressional Committee on Reparations
9. Improve Data Collection on Race and Wealth
10. Racial Wealth Analysis

CHUCK COLLINS  
DARRICK HAMILTON  
DEDRICK  
ASANTE-MUHAMMAD  
JOSH HOXIE

**Need a multifaceted approach and a progressive economy to address racial wealth divide.**



## Local Learnings:

- Racial economic inequality is large throughout cities regardless of size or strength of the economy
- There is very little in shared best practices to address racial economic inequality
- Two great challenges for local policy is regressive national policy and the regressive nature of unregulated markets
- A comprehensive and long term approach is necessary for community economic development that address racial economic inequality

# 6 Steps to Addressing Racial Economic Inequality at the Local Level

1. recognize the racial economic divide with the organizations and institutions that are supposed to address economic insecurity
2. organize a cohort of institutions of color who through coalition can strengthen advocacy and programmatic work
3. develop a project that will keep these institutions of color engaged together for at least a year
4. strengthen and share understanding of racial economic inequality and the challenges of financial security for communities of color
5. use research of racial economic inequality to attract local resources to address the deep economic insecurity in communities of color including strengthening institutions of color
6. integrate the goals of addressing racial economic inequality and strengthening institutions of color into the non-profit community, business leaders and associations, city leaders and agencies, foundations, and community leaders and Institutions



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[Bridging the Racial Wealth Divide](https://facebook.com/racialwealthdivide)



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[inequality.org/topics/racial-wealth-divide](https://inequality.org/topics/racial-wealth-divide)



[nrcr.org](https://nrcr.org)

# The Negative Feedback Loop of Black Asset Poverty

## GREATER FINANCIAL RESPONSIBILITIES

Debts, pent-up demand & need for financial support from family & community means increased income go toward consumption then asset development

## LACK OF HOUSEHOLD ASSETS

57% of Blacks are in liquid asset poverty. (Do not have enough liquid savings to replace income at the poverty level for 3 months)

Median household income is \$36,651.

## INFERIOR PUBLIC ASSETS

Black communities most often live in areas with inferior public assets: public schools, public safety, public health, public transportation

## SEGREGATED FROM SOCIO-ECONOMIC OPPORTUNITY:

Living wage jobs and social networks are located outside of the communities asset-poor Blacks live in.

## INFERIOR SERVICE FROM THE MARKET:

Products sold in communities of asset poverty are inferior and often times more expensive than similar products available to high income communities.