

Strategies for Achieving Racial Economic Equity

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RACIAL WEALTH DIVIDE INITIATIVE

Objective

The focus of RWDI's work is to turn racial economic and wealth equity theory into practice using field tested approaches and tools designed with, for and by those who feel the issues most acutely by integrating a combination of the [Right 2 Root System](#) and [Racial Wealth Divide Initiative](#) (RWDI) methodologies and strategies into asset-based community development.





Racial Economic / Wealth Equity

RWDI PREMISE: Framing the Racial Wealth Divide

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

INDIAN LAND FOR SALE

GET A HOME
OF
YOUR OWN
EASY PAYMENTS



PERFECT TITLE
OF
POSSESSION
WITHIN
THIRTY DAYS

FINE LANDS IN THE WEST
IRRIGATED IRRIGABLE GRAZING AGRICULTURAL DRY FARMING

IN 1910 THE DEPARTMENT OF THE INTERIOR SOLD UNDER SEVERAL BIDS ALLOTTED INDIAN LAND AS FOLLOWS:

States	Acres	Average Price per Acre	States	Acres	Average Price per Acre
Colorado	5,211.21	\$7.27	Oklahoma	34,664.00	\$19.14
Idaho	17,013.00	24.85	Oregon	1,020.00	15.43
Kansas	1,684.50	53.45	South Dakota	120,445.00	16.53
Montana	11,034.00	9.86	Washington	4,879.00	41.37
Nebraska	5,641.00	36.65	Wisconsin	1,060.00	17.00
North Dakota	22,610.70	9.93	Wyoming	865.00	20.64

FOR THE YEAR 1911 IT IS ESTIMATED THAT 350,000 ACRES WILL BE OFFERED FOR SALE

The information as to the character of the land under the books, "INDIAN LANDS FOR SALE," is the responsibility of the U. S. Indian School at any one of the following places:

ALABAMA: Birmingham	ARIZONA: Phoenix	CALIFORNIA: Los Angeles	CONNECTICUT: Hartford	ILLINOIS: Chicago	INDIANA: Indianapolis	IOWA: Des Moines	KANSAS: Topeka	KENTUCKY: Louisville	LOUISIANA: New Orleans	MAINE: Portland	MARYLAND: Baltimore	MASSACHUSETTS: Boston	MICHIGAN: Detroit	MINNESOTA: Minneapolis	MISSISSIPPI: Jackson	MISSOURI: St. Louis	MONTANA: Helena	NEBRASKA: Omaha	NEVADA: Reno	NEW HAMPSHIRE: Concord	NEW JERSEY: Trenton	NEW YORK: Albany	NORTH CAROLINA: Raleigh	NORTH DAKOTA: Bismarck	OHIO: Columbus	OKLAHOMA: Oklahoma City	OREGON: Portland	PENNSYLVANIA: Harrisburg	RHODE ISLAND: Providence	SOUTH CAROLINA: Columbia	SOUTH DAKOTA: Pierre	TENNESSEE: Nashville	TEXAS: Austin	UTAH: Salt Lake City	VIRGINIA: Richmond	WASHINGTON: Olympia	WEST VIRGINIA: Charleston	WISCONSIN: Madison	WYOMING: Cheyenne
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WALTER L. FISHER, Secretary of the Bureau.
ROBERT G. VALENTINE, Superintendent of Indian Affairs.



Roots of Structural Inequality

It began with **246 years of legal slavery** in which we extracted wealth from the lives of African Americans. At the time of the Civil War, close to **4 million African Americans** were enslaved, **13 percent of America's total population**. After the war, institutional injustices focused on stealing their land and jobs and ensuring that African Americans did not build wealth as fast as the rest of Americans. The economy we have today was built on this.

-- Yes Magazine, 2015

CAUSES: Structural Inequality and the Racial Wealth Divide

JUST THE FACTS

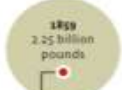
A NATION BUILT ON THE BACK OF SLAVERY AND RACISM



1 Slavery launched modern capitalism and turned the U.S. into the wealthiest country in the world.

Slave-harvested cotton dominated the 19th-century international market.

U.S. COTTON PRODUCTION



1790 2.5 million pounds

U.S. COTTON USED IN BRITISH TEXTILE INDUSTRY

By the 1830s

77%



Cotton built New York City into a commercial and financial center.

For every dollar cotton made, about 40 cents ended up in New York as the city supplied insurance, shipping, and

NEW YORK'S SHARE OF ALL COTTON REVENUE

40%

At the outbreak of the Civil War, the market value of slaves in the U.S. exceeded that of banks, factories, and railroads combined.



The nation paid reparations to slave holders—not to slaves.

No

40 ACRES AND A MULE

President Andrew Johnson overturned Gen. Sherman's famous promise, which would have redistributed roughly 400,000 acres to newly freed black families.

\$300

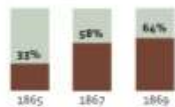
PER FREED SLAVE

On April 30, 1863, President Abraham Lincoln signed a bill ending slavery in the District of Columbia, providing for compensation to former owners.

Vagrancy laws allowed police to sweep up black men and then rent them out as convict labor.

Following the war, convict leasing programs shifted the Southern prison populations to predominantly black.

BLACK CONVICTS IN NASHVILLE, TENNESSEE'S MAIN PRISON



2 Emancipation did not bring economic freedom to former slaves.

Discriminatory business policies kept white people economically ahead.

Black Codes were enacted to stop African Americans from owning their own businesses

BUSINESS LICENSING FEES Under Black Codes in 1870



Southern merchants used unfair credit to impede black wealth building.

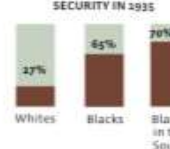
INTEREST RATES CHARGED BY MERCHANTS 1881-1889



Social safety nets have missed African Americans.

Social Security originally excluded domestic and agricultural workers—mostly African Americans, especially in the South.

INELIGIBLE FOR SOCIAL SECURITY IN 1935



4 The result: African Americans have not been able to get a foothold in the economy.

The income gap has not budged since 1970.

3 Discriminatory policies then kept African Americans from receiving help other citizens received.

Racist policies contributed to the decline of black farmers.

By 1982, only 1.5 percent of farmers were black, and the USDA's Civil Rights Office—which investigated loan program discrimination complaints—was closed.

FARMLAND OWNED BY AFRICAN AMERICANS



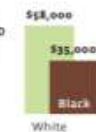
Money meant for distressed homeowners supported segregation.

In 1933, the Home Owners' Loan Corporation was created and helped more than a million homeowners. The HOLC was the origin of "redlining" maps.

GOVERNMENT LOANS TO AVOID FORECLOSURE



MEDIAN HOUSEHOLD INCOME in 2013



For every dollar of assets white households have ... black households have a dime.

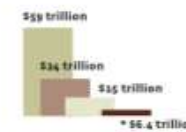
African Americans have barely any of the nation's wealth, and therefore little to pass down to future generations.

Economists estimate that up to 80 percent of lifetime wealth accumulation depends on intergenerational transfers.



Can we calculate the economic damages?

Estimates range from:



Martin Luther King Jr. calculated that making good on the promise of 40 acres and a mule (\$20 a week since the late 1700s for 4 million slaves) would total \$800 billion.* "They owe us a lot of money."

* \$6.4 trillion That's MLK's \$800 billion in today's dollars

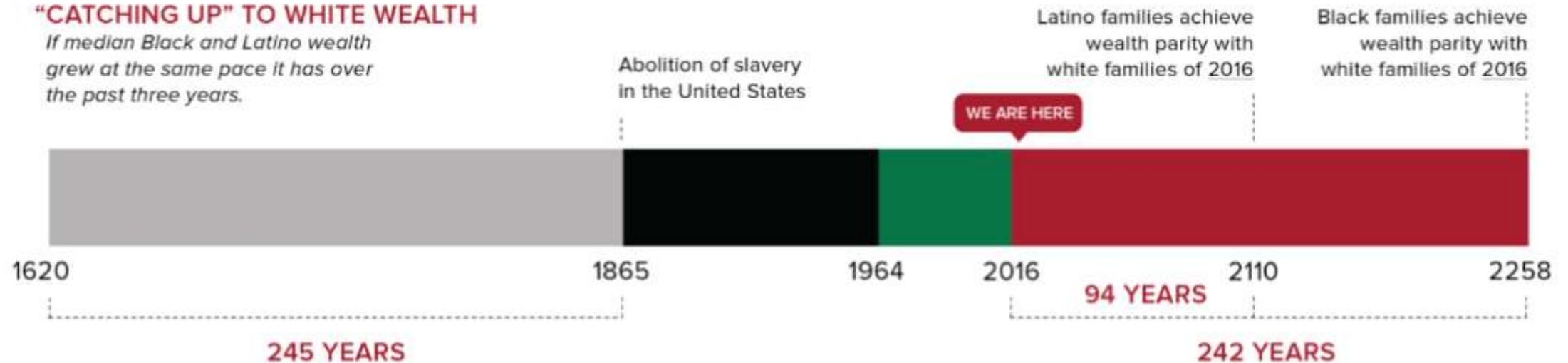
Source: citations at yesmagazine.org/1994. 1933 infographic by Jeff Leutenbach and Tracy Leutenbach-Dunn. Research by Mark Buchanan and Chris Culpas. Images from Library of Congress.

Components of Racial Economic Equity

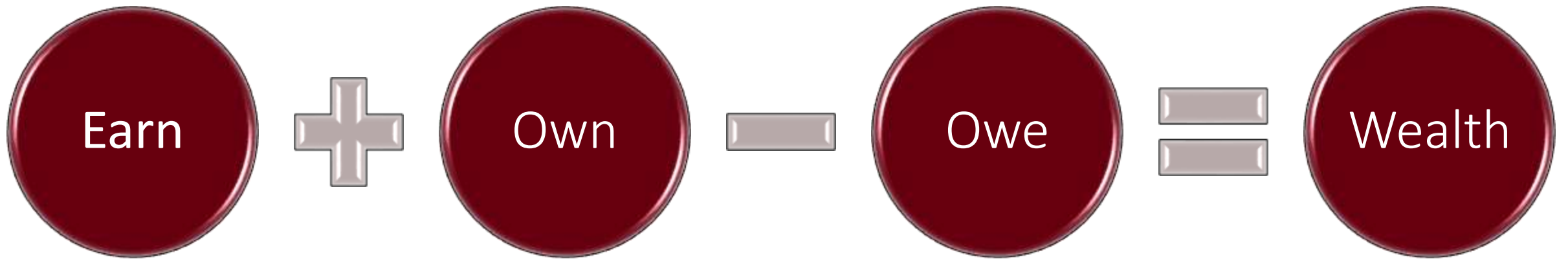


"CATCHING UP" TO WHITE WEALTH

If median Black and Latino wealth grew at the same pace it has over the past three years.



What is Wealth



Florida by the Numbers

Metrics	National	State	Data by Race in Florida				
Outcome Measure	United States	Florida	White	Households of color	Black	Asian	Latino
Median family income ¹	\$73,891	\$64,003	\$68,286	n/a	\$46,444	\$79,002	\$51,104
Income poverty rate	13%	13.5%	10%	19.4%	21.7%	12.8%	19%
Net worth	\$79,826	\$55,480	\$104,490	\$13,200	n/a	n/a	n/a
Liquid asset poverty rate	40%	48.4%	37.8%	65.6%	63%	n/a	69.6%
Unemployment rate	4%	3.7%	2.8%	4.6%	7%	n/a	3.5%
Homeownership rate	63.9%	65.2%	74.3%	49.6%	43.8%	69.6%	51.4%
Cost-burdened renters	49.5%	56.4%	51.6%	61.2%	62.4%	45.2%	61.7%
Cost of living index ²	100	110.9	n/a	n/a	n/a	n/a	n/a

Sources: All data are from the 2019 Prosperity Now Scorecard except for the ones marked below:
¹ U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates
² 2019 Sperling's Best Places to Live.



Racial Wealth Divide Initiative Strategy, Approach and Frame

Racial equity: “Fairness and justice in policy, practice and opportunity consciously designed to address the impacts of historic racial discrimination and inequity, with an eye to equitable outcomes.”

- Genorosity

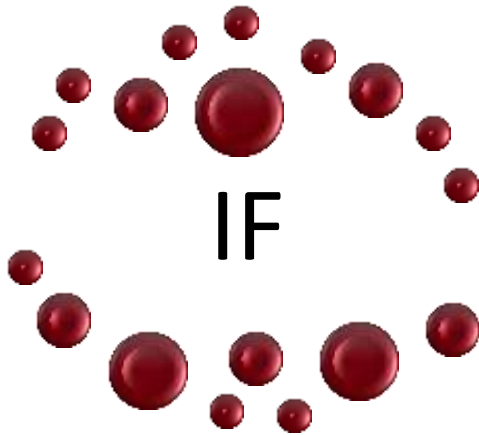
Racial Wealth Divide Initiative Guiding Principles

Structural economic inequality, not individual deficiency, is the root of racial income and wealth disparity—it is the cause and consequence.

Disinvestment exists at all levels - individual, organizational and institutional—impacting entire communities.

Life outcomes are predictable by race and class.

Overarching Strategy: *What we are trying to achieve*



We support organizations led people of color to identify community resources, strengthen and coordinate service delivery, advocate for asset-building policies and engage in asset-building networks



Organizations will be better positioned to address the complex and unique financial challenges facing people of color in target cities. The conditions these organizations are operating in will shift as relevant stakeholders learn about the causes and consequences of the racial wealth divide and how to partner with nonprofits of color to address it

We approach all our projects with the understanding that problems are best solved when people who live and work closest to them are engaged in developing the solutions; and to reach scale, the program or policy must be considered relevant and effective by the people it is intended to serve, or they will not participate.

Most importantly, communities of color need nonprofits managed by leaders of color with high-impact asset-building services to address the national challenge of a broad and deep racial wealth divide.

Seven Core Principles: *Client Centered Approach*

- Have culturally specific technical assistance.
- Redefine financial capacity to recognize and address systemic barriers, rather than treating financial education as being solely based on individual decisions.
- Provide flexible funding.
- Foster growth of a community of practice.
- Encourage leadership development.
- Empower direct service providers.
- Support grassroots policy advocacy.

Where RWDI is Operating: *10 States – 12 Cities*



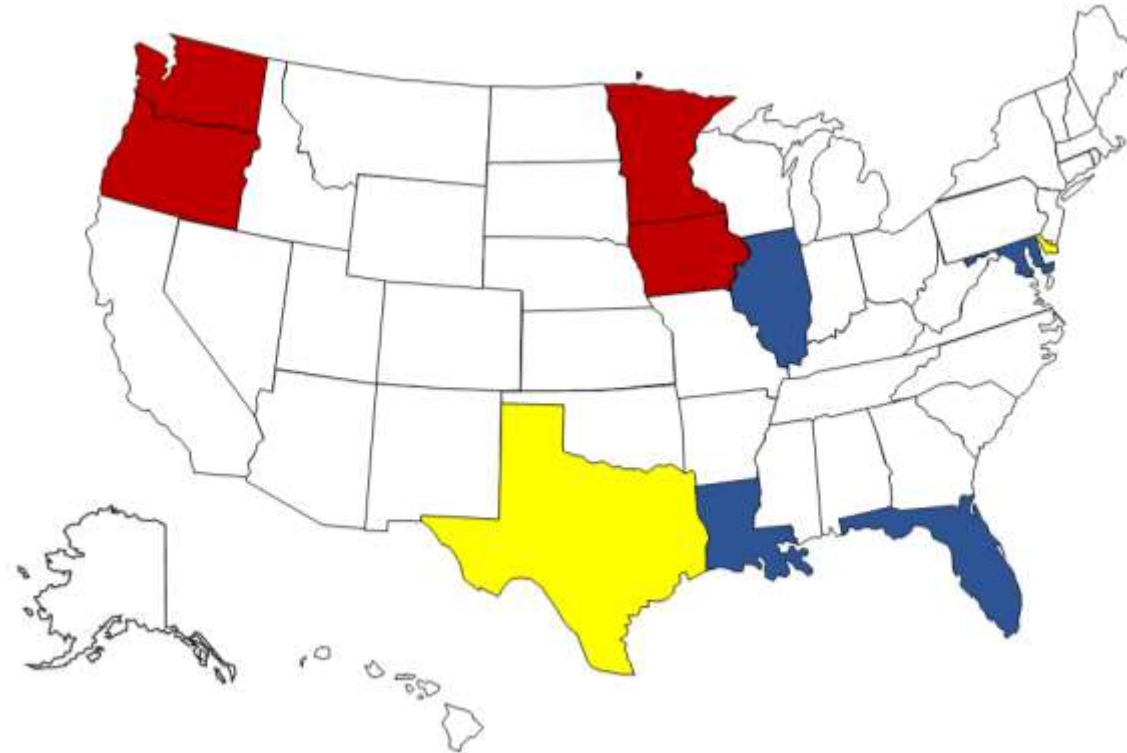
Launched in 2015



Launched in 2016



Launched in 2018



Our work represents an ecosystem of over 75 nonprofits of color.

We define an organization of color as one where most the executive leadership are people of color and has historically been people of color. In addition, the organization is focused on serving communities of color.

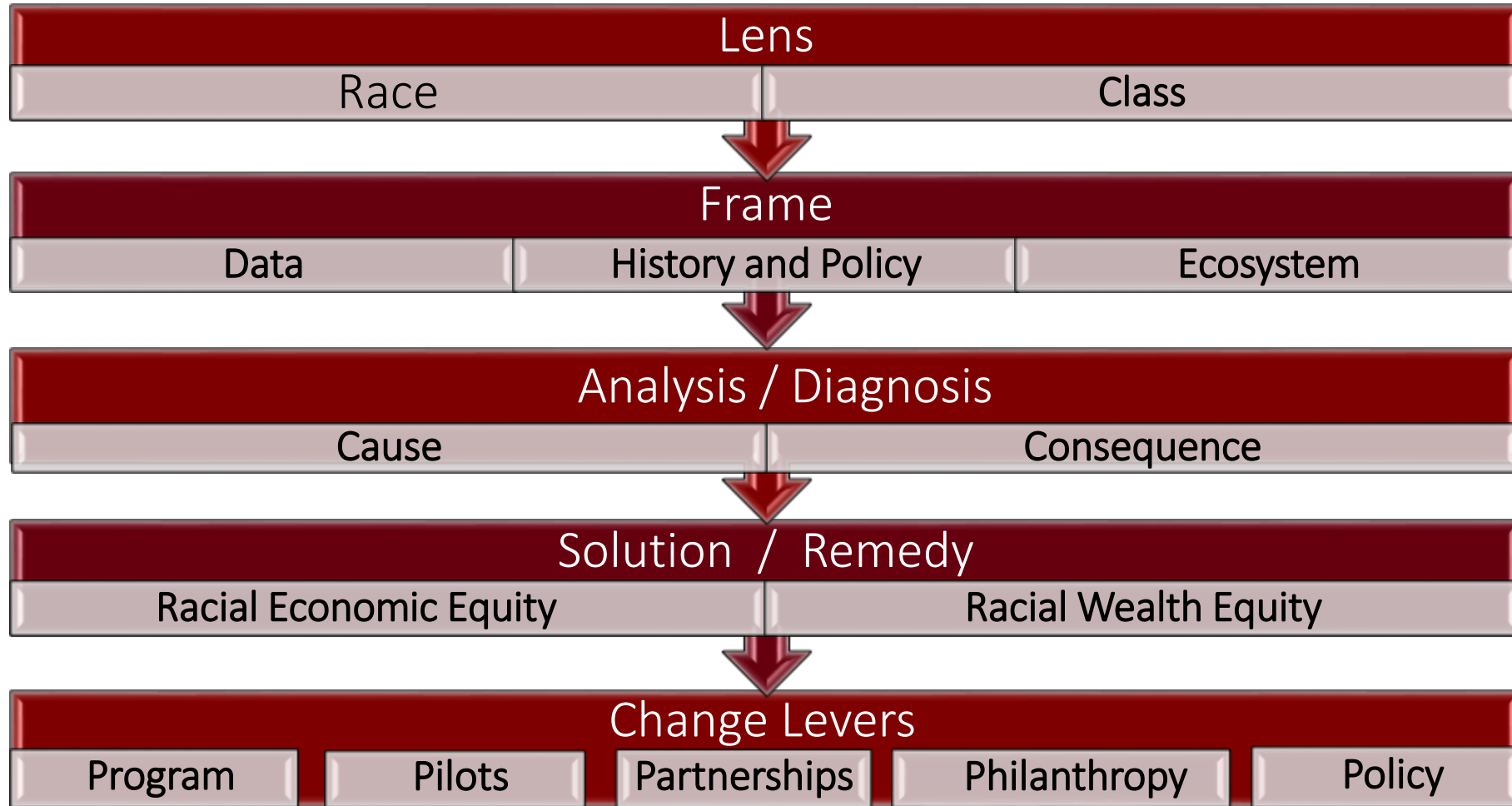
Who RWDI works with

There is no silver bullet to addressing the growing racial wealth divide, so we partner with a multitude of organizations.

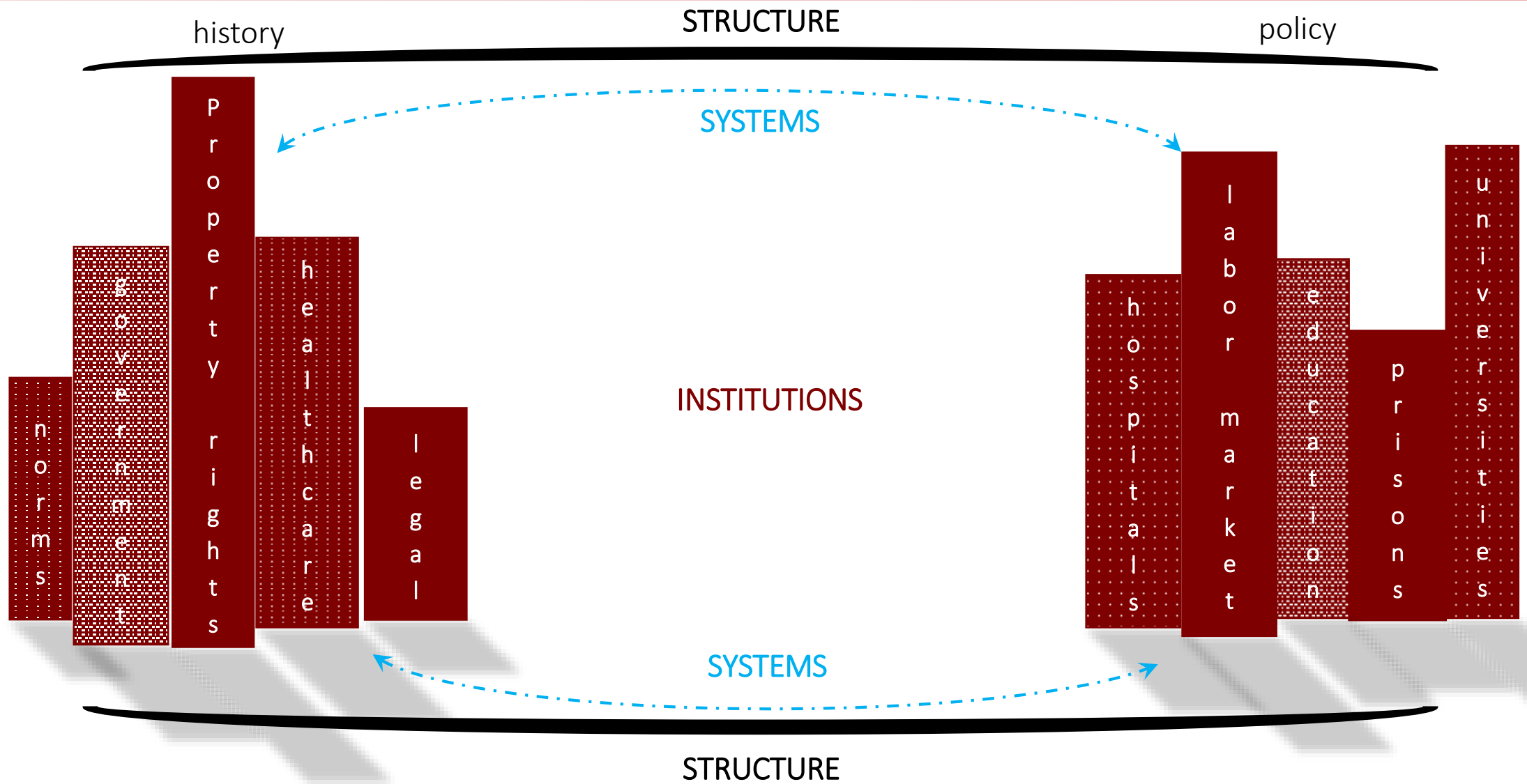


RACIAL WEALTH DIVIDE INITIATIVE

Operationalizing Equity for Impact



Levers for System Change



“Four hundred years of economic exclusion and inherited disadvantage have compounded to create contemporary racialized wage and wealth divides which, if nothing is done, are projected to extend well into the future. Individual explanations of inequality are insufficient for understanding or solving this issue of persistent, multigenerational poverty. It is the interlocking structures of society that ought to change.”

Source: Goughnour and Singh, 2018



Thank you!



RACIAL WEALTH DIVIDE INITIATIVE