

DON'T FIXATE ON THE RACIAL WEALTH GAP:

Focus on Undoing Its Root Causes

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ABOUT THE AUTHOR

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Introduction

Inequality is a defining American issue, and perhaps no measure more accurately exemplifies the failures and injustices of historic and current-day economic decisions than the “racial wealth gap.” Today, the typical white family owns more than \$150,000 in total wealth than typical Black or Latinx families. Between 1983 and 2016, the wealth of a typical Black family decreased by more than 50 percent, compared to a 33 percent increase for the typical white household (Collins et al. 2019). Most notably, racial wealth disparities today are among the highest they have been in more than 25 years (Kochhar and Fry 2014).

This report argues that the energy of the current political moment provides a unique opportunity to reevaluate how we think about and have historically framed the issue of the racial wealth gap. This endeavor will help us precisely understand how our current economic system has made that inequality even worse. Ultimately, by focusing on the *root* of racial wealth inequality rather than fixating on the racial wealth *gap*, we can identify a path forward for creating a fairer and more sustainable economic and political system—one that will right our historical wrongs and prevent such injustices from occurring in the future.

Racial wealth inequality is gaining renewed attention as calls to close the racial wealth gap have become a key platform issue for a number of progressive constituencies, including 2020 presidential candidates. From a plan to tackle deep-seated housing discrimination to a trust for young adults to a sweeping proposal to address the \$1.6 trillion student debt crisis, progressives have put forth a number of ambitious policy proposals that, taken in some combination and developed with a race-conscious lens, are capable of rectifying racial wealth inequality (Carlisle 2018; Kliff 2018; Goldy-Brown 2019; Sarlin 2019). At the same time, an emerging embrace of a moral reckoning with the vestiges of slavery is also gaining momentum. Earlier this summer, Congress held its first hearing on the resolution to study reparations, which has been introduced at every session for the last 30 years (Stolberg 2019).

The growing acknowledgment of racial and economic inequality has been part of a broader interrogation of the entire US economic system that has allowed—or rather, been designed—to proliferate such vast inequities. For nearly 50 years, America’s neoliberal economic system, and the ideologies that upheld it, went largely unchallenged by the majority of political and thought leaders. This consensus, however, is being upended in real time, as it becomes increasingly clear that the only people the US economy has consistently and meaningfully benefitted for more than a generation have been the wealthy, corporations, and the people who run them. Critiques that neoliberalism is a threat not only to human rights and environmental security but also to the long-term health of our economy and our



nation have moved from the corners of progressive think tanks toward the center of political and policymaking debates.

It is significant that these two issues—racial wealth inequality and the failure of neoliberal economics—have been pushed to the fore at the same time. While the racial wealth gap is a vestige of the inequities born from and reinforced by slavery and Jim Crow, it has been and continues to be exacerbated by an economic system that has seeded unchecked private power to corporations and eroded the public power of government and the people it is intended to serve. Stark racial differences in wealth not only represent the most blistering measure of transgenerational hardship but also demonstrate “the structural characteristics of our economy, heavily infused at every point with both an inheritance of racism and the ongoing authority of white supremacy” (Darity Jr., et al. 2018). Proponents of neoliberalism have used the powerful and intertwined forces of deeply flawed economic thinking and strategic racism to advance their cause, all the while stoking racial resentment. The recent 1619 Project articulates how anti-Blackness, in particular, has been a constant underpinning to all of our structures and institutions (The New York Times Magazine 2019); not only do we fail to acknowledge that we built an economy on the backs of Black labor but that we also created systems, rules, and policies that actively and intentionally harm Black people.

The report is structured as follows:

Section 1 describes the roots of the racial wealth gap, the evolution of the field, and explains why the current moment demands a broader framing. I describe how racial wealth inequities are the result of failed economic policies, both historical and current. The dominant market-centric ideology and the resulting rise of corporate power, in conjunction with the misuse of government power, have been used as mechanisms for ill-gotten economic gains and the forced transfer of wealth from Black people to white elites across generations. I argue that we can’t only fix the rules that are traditionally considered economic in nature; there are numerous solutions that many would consider social policies that carry a distinct economic impact.

Section 2 argues that we need a new compass—one that focuses on building power to change the rules, practices, and norms that are at the root of racial wealth inequality and that also expands wealth to include notions of dignity and freedom—to guide us out of this injustice. I outline a new way forward that calls for us to **move beyond the goal of closing the racial wealth gap and concentrate on undoing its root causes**. I contend that while the racial-wealth-gap lens has been critical for measuring the vast racial wealth inequities that persist along racial lines, focusing exclusively on “closing the gap” distracts us from reckoning with the systemic economic decisions that are actually driving racial wealth inequality and thus hinders us from addressing its root causes. Additionally, there are key



areas to explore in this debate that are currently considered peripheral to conversations about racial wealth inequality: corporate power, public goods, and democratization. By connecting the dots on a range of issues related to wealth, we must also advance a number of ideas that will eradicate racial wealth inequality, such as the role that mass incarceration plays in preventing Black families and Black communities from building wealth. Finally, we need a new approach to reassess and reimagine the rules, policies, and mental models that uphold anti-Blackness, which is the devaluing and de-humanizing of people who are Black.



The Roots Of The Racial Wealth Gap And Our Failed Economy: How Did We Get Here?

Racial wealth inequality—and the crucial need to focus on wealth not income alone—surfaced in the early 70s and entered into public consciousness in 1995 when Melvin L. Oliver, now president of Pitzer College, and Thomas Shapiro, professor of law and social policy at Brandeis University, published the seminal book *Black Wealth/White Wealth: A New Perspective on Racial Inequality*.¹ They document how a legacy of policies and practices systemically locked out Black people from owning and building wealth continues to have lasting effects on current generations through the “sedimentation of racial inequality” (Oliver and Shapiro). Collectively, academics and other thought leaders began to shape our understanding of racial wealth inequality, and within a few years of the book’s release, the racial wealth gap—long viewed as a fringe issue—garnered greater traction in the media and became part of the American discourse. In the 25 years since the publication of *Black Wealth/White Wealth*, researchers have documented wealth disadvantages experienced by other racial and ethnic groups, establishing the fact that the racial wealth gap is widespread and institutionalized throughout American society.

Before the Great Recession and the Occupy Wall Street movement cemented the issue of economic inequality into the center of popular discourse, leading minds on economic issues, including Barbara Robles, Meizhu Lui, and Kilolo Kijakazi, came together from diverse backgrounds and communities of color to set an audacious goal: closing the racial wealth gap. It was a bold proclamation—not just in the enormity of the challenge but also because an intentional focus on race and wealth inequality represented a significant departure from the dominant push for race-blind interventions at the time. These pioneers got it right when they claimed that racial wealth inequality is not a natural occurrence or a law of nature but is, in fact, a human-made choice. Through the shared, pioneering work of bringing to light this history of how policymakers and other power holders *created* racial wealth differences, the case for closing the gap seemed clear (Lui et al. 2006).

¹ Income and wealth inequality are not the same. Income is generated from sources such as earnings, transitional assistance that replaces earnings, or payments like Social Security, but wealth is a storehouse of resources that gives families security during emergencies and allows them to secure advantages that are tied to the well-being of the next generation. Not all income is earned as salaries and wages, especially for the wealthy. As income climbs above \$500,000, an increasing share is derived from capital income.

Early coverage of the racial wealth gap was often discussed as a recent phenomenon—mainly due to the housing crisis of 2008—and tended to ignore the history of institutionalized discrimination and/or policy prescriptions (Wonder: Strategies for Good 2015). In addition, a number of proposals, such as increasing the number of banked households, individual development accounts, child savings accounts (CSAs), and others, began to take root as viable solutions to not only help people build assets but also address racial wealth inequality.

Somewhere along the way, however, asset building became increasingly conflated with eradicating racial wealth inequality. Though some bold measures for closing the gap were put forward at the time, individual-based approaches related to savings were prioritized. As a result, solutions to address racial wealth inequality have often focused on behavioral changes and individual choices, minimizing efforts to dismantle structural barriers to wealth accumulation.

For the last 20 years, researchers and academics have advanced programs and solutions that focus on individual savings, financial technology, or financial coaching as important vehicles to addressing racial wealth disparities (Flynn and Mabud 2019). Child savings accounts—a long-term savings approach in which children receive incentives, such as initial deposits or matching funds—for example, were touted as viable means to incentivize future college enrollment and to promote greater opportunities and mobility for children from low-wealth households, which are disproportionately children of color. The most effective CSA programs are both universal and progressive, meaning that a savings account is given to every child in the target region, and that the program includes greater initial deposits and/or savings matches for young people in low-income families. For example, Oakland, California, launched a College Savings Account program in 2017. Oakland’s Brilliant Baby program provides \$500 in a 529 account² for qualifying Oakland babies, as well as dedicated financial coaching for parents. The City of Oakland manages the account until the child reaches 18 years of age, at which time they can use it for college. Families are also eligible for a personal-savings-match program, which includes financial coaching. Unfortunately, CSAs are not designed to address the structural barriers facing Black people at birth and throughout their lives.

Emerging research and a new, growing consensus on the structural dynamics of race and wealth have begun to counter common notions about the impact of individualistic approaches in addressing racial wealth inequality. There are no actions that Black

² A 529 plan is a tax-advantaged savings plan designed to encourage saving for future education costs. 529 plans, legally known as “qualified tuition plans,” are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code.



Americans can unilaterally take that will significantly narrow the racial wealth disparities we see today (Darity et al. 2018). Though many asset-type strategies help families put more money in their pockets, they fall woefully short of addressing the root causes of deep-seated racial wealth inequities and put the onus on individuals rather than changing systems and institutions. We must distinguish policies that provide important on-ramps to financial stability—and in the case of CSAs, serve as an aspirational goal for our children to plan for their futures—from those that address racial inequities. In this context, working to close a racial wealth gap based on individualized solutions and greater financial coaching does not account for the systematic, historical advantage that white Americans received, and continue to benefit from, through American economic policies over generations.

AMERICA’S RACIAL WEALTH INEQUITIES ARE A FAILURE OF HISTORY AND OF THE RULES OF OUR ECONOMY

Neoliberalism—a social, political, and cultural ideology that sees a self-regulating “free market” as the very paradigm of personal freedom and democracy—took hold in the 1970s after rising joblessness and inflation were perceived as jeopardizing the wealth of white elites. It became our nation’s foremost economic and policy philosophy with the election of Ronald Regan in 1980 (Cohen 2019). Neoliberalism is predicated on a narrative of personal responsibility and toxic individualism that tell us economic inequality is caused by personal failings and is a result of poor choices. The dominant narrative professing that markets represent a higher power—and that government should protect markets and not rule over them—is not about getting government out of the way but ensuring that government serves private and corporate interests. According to economist Darrick Hamilton, neoliberalism “shifted away from government mandates of economic security to an approach in which the ‘market’ is presumed to be the judge of our worth, and the solution for all our problems, economic or otherwise” (Hamilton 2019).

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An influential group of policy intellectuals, corporate elites, and elected officials whose focus on markets and contempt of an overreaching government have shaped much of the policy landscape we see today. They pushed for massive tax cuts to the rich, deregulation, financialization, the dismantling of our nation’s social safety net, and shifted the bargaining power of workers by pushing out organized labor, the most effective force in fighting for middle- and working-class wages. All of these efforts are driving wealth inequality, but there are also other defining features of our neoliberal economy that are key drivers of racial wealth inequality, including the corruption and erosion of government power. Corrupted government power is directly reflected in the moving of public money into private hands (and thus a preference for privatization) in areas such as education, health care, and retirement benefits (Abernathy et al 2019). Corrupted government power has also increasingly been used to regulate the behavior of struggling Americans and garner support to slash public benefits while unleashing private actors to do as they please.

After nearly a half century of neoliberal doctrine that corrupts public power and weakens our democratic processes, there is growing acceptance, even among economists, that while neoliberalism may be a political success, it is an economic failure built on faulty assumptions. Nobel-prize winning economists Joseph E. Stiglitz and Paul Krugman assert that neoliberalism is a failure, calling for the democratic oversight of markets, break up of monopolies, and protection of politics from financial corruption (Stiglitz 2019; Krugman 2018). In addition, recent critics are calling attention to how an emphasis of this conventional economic doctrine undermines and sacrifices other important values, such as social inclusion and racial justice.

Over the past 50 years, corporations have increasingly consolidated, shutting out competitors from entering economic markets, narrowing labor market opportunities, and pushing up prices for consumers—all without producing more economic value. After two decades of blockbuster mergers and acquisitions, over 75 percent of US industries have experienced an increase in concentration levels (Grullon, Larkin, and Michaely 2017). Through antitrust laws and the agencies that enforce them, politicians historically prevented this outcome by providing rules of the road to ensure the unrepentant greed of a few did not go unchecked. But starting around the mid-1970s, wealthy elites intensified and began to entrench corporate power by lobbying politicians to change the rules in favor of those who could contribute to their campaigns. At the same time, strategic racism was (and is) used by corporate elites to exploit labor and strip wealth from marginalized communities, engage in price discrimination, and, according to Rashad Robinson, “saturate our culture with stereotypes and racist misinformation” (Robinson 2019). A key corrosive effect of runaway market power and the resulting extractive practices of corporations is weakened bargaining power for people, both on the job and at home.



The neoliberal economic policies of the last five decades have cemented racial inequities rooted in the earliest days of the United States. The market-centric ideology and the resulting rise of corporate power, in conjunction with the misuse of government power, have been used as mechanisms for ill-gotten economic gains and the forced transfer of wealth from Black people to white elites across generations. Ta-Nehisi Coates asserts that “so large was this plunder that America, as we know it today, is simply unimaginable without it” (Coates 2014). The story of wealth of Black Americans begins with the violence of enslavement and Jim Crow and continues today with residential and employment segregation and discrimination. “Just as wealth begets wealth, historical disadvantages beget contemporary disadvantages” (Mabud and Bozarth 2019). One stark example of ill-gotten economic gains is land theft. The pattern of theft and government-sanctioned discrimination against Black people is unique and foundational to understanding wealth in America (Katznelson 2006; Flynn et al. 2017). For Black people, owning land has been a source of liberation, power, and intergenerational wealth generation, but they have never been able to fully realize the power and wealth that land bestows. Less than 50 years after the Civil War, freed slaves and their descendants owned 15 million acres across the South. Over the last half century, however, Black people have been stripped of nearly 11 million acres of land through violence, fraud, deception, and theft, which created more wealth for white families (Mock 2014).

According to Vann R. Newkirk II, a staff writer at *The Atlantic* (2019):

While most of the black land loss appears on its face to have been through legal mechanisms—“the tax sale; the partition sale; and the foreclosure”—it mainly stemmed from illegal pressures, including discrimination in federal and state programs, swindles by lawyers and speculators, unlawful denials of private loans, and even outright acts of violence or intimidation. Discriminatory loan servicing and loan denial by white-controlled FmHA and ASCS committees forced black farmers into foreclosure, after which their property could be purchased by wealthy landowners, almost all of whom were white.

In some cases, government officials not only approved land theft but were active participants in stealing land. By the second half of the 20th century there were new legal tools of dispossession for land owners who did not have wills or clear titles to their property. At the same time, government policies facilitated home ownership for white families, clearing a pathway to the middle class and further entrenching racial wealth disparities (Katznelson 2006).



This is why racial wealth inequality is one of the greatest failures of our economy—it robs so many of us of the opportunity to be free, to be whole, to be home.

Land theft exemplifies the crucial need to address deeply rooted racial inequities through a broader, bolder, and more comprehensive approach than we have used in the past. The methodical stripping of land from Black Americans has been an endless theft that has robbed successive generations of families, and whole communities, of not only wealth but also the fundamental assets and values that wealth bestows within the structures of our economy—assets like dignity, freedom, and the right to place, as we envision it, create it, and define it *for ourselves*. This is why racial wealth inequality is one of the greatest failures of our economy—it robs so many of us of the opportunity to be free, to be whole, to be home. A focus on the goal of closing a racial wealth gap often falls short of helping us understand the systematic, historical advantage white people received from American economic policies over time, and in some cases, gives us a false notion that transactional approaches without changing structural policies will lead us to the “Promised Land.”



SECTION 2

The Way Forward

Centering the historical policies and decisions that continue to manifest and shape life outcomes in communities of color today will help us move from treating the symptoms of wealth inequities to treating its structural causes. The current policy proposals to address racial wealth inequality give us reason to be hopeful and act with a sense of urgency to shift our thinking. Importantly, there has been a lot of focus on the historical drivers of the racial wealth gap, such as long-standing employment and housing segregation and the lack of intergenerational wealth transfers. While many of the policy solutions that are being proposed are a direct response to those drivers, we are now called to not only expose historical truths that continue to inflict harm but to also shine a light on systems of discrimination as they are being built anew—to prevent the formation of new structures that would damage this generation and future ones.

Centering the historical policies and decisions that continue to manifest and shape life outcomes in communities of color today will help us move from treating the symptoms of wealth inequities to treating its structural causes.

A new framework to address racial wealth inequality must do the following:

- Advance an intentional focus on how deep-rooted inequities and the structure of our economy divide people into the deserving and undeserving;
- Incorporate a number of ideas that will take us furthest in eradicating racial wealth inequality, including connecting the dots on mass incarceration and racial wealth inequality, and acknowledging the ways that women in particular are impacted by race and gender wealth inequities;
- Build organizing power and seed bold ideas at the local, state, and regional levels to chip away at racial wealth inequality in targeted ways and inform national strategies; and
- Intentionally address the role of anti-Blackness in shaping our enduring social and economic inequities, and work to shift the mental models that reinforce anti-Blackness.



FOCUS ON ROOT AND STRUCTURAL CAUSES OF RACIAL WEALTH INEQUITY

If we are committed to tackling racial wealth inequities, we must focus squarely and unapologetically on their root causes. **Whether you call it the racial wealth gap or the racial wealth divide, it's time to go beyond the supreme goal of closing it altogether if we want to actually start making progress toward a more economically equitable society.** It may seem counterintuitive, but we can't tackle racial wealth inequality by predominantly focusing on closing the gap.

There are several key reasons this framework is not useful today:

First, describing the problem as a racial wealth gap doesn't help us clearly articulate a vision that is based on the values we hold most dear. We could simply narrow the Black-white racial wealth gap if white families lost their wealth and became poorer without providing any gains to Black families. This is not what we want for either community or our society more broadly. What we really want is liberation and dignity for *all* people; however, fixating on closing racial wealth gaps does not guarantee that we can deliver that.

Second, focusing on closing the racial wealth gap keeps us locked into the status quo—and often reflects a neoliberal discourse—by upholding personal responsibility narratives and strategies of entrepreneurial liberation and other fallacies. Solutions borne from the racial wealth gap framework have traditionally included individual-based approaches. Utilizing these approaches—such as helping families open a bank account, encouraging savings, seeding young children with \$50, or opening businesses with little capital—without changing structural barriers gives us a false notion that class-based solutions will solve racial inequities and deep-seated racism. In other words, while there is a growing recognition that slavery, Jim Crow, redlining, segregation, and discrimination have deeply impacted Black families, solutions written to close the racial wealth gap are still very much predicated by communities of color and specifically Black Americans making better financial decisions and taking personal responsibility. If we think that well-off white individuals and households acquired their wealth only through individual ability and effort—ignoring the role of social and economic policies in driving wealth accumulation for white families—then we will continue to urge Black people to work harder and “play by the rules” (Katznelson 2006). This neoliberal language of individualism and personal responsibility operates to intentionally ignore structural factors and hold everyone accountable to the rules of a colorblind, seemingly fair playing field (Perez and Salter 2019). Research from the Groundwork Collaborative shows just how pervasive these narratives are: When asked to identify a single factor that has most contributed to their economic



situation, Black people most commonly pointed to “personal drive and persistence” (27 percent) and the way that they were raised by their family (26 percent) (Groundwork Collaborative 2019).

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The dominant gap-focused framework distracts us from reckoning with the systemic economic decisions that are actually driving racial wealth inequality and addressing their root causes. Far too often, we promote policies that address the symptoms of racial wealth inequality and not its root causes. Mehrsa Baradaran, a law professor specializing in banking law at the University of Georgia, notes that Black people have often been urged to engage in capitalism with no capital and suggests that over the last 50 years, nearly every legislative response to separate and unequal credit markets has been centered on symptoms and not the root cause of racial credit inequality. She asserts that by focusing on small community banking, minority-owned banks, and mission-oriented institutions, which are viewed as “community-empowerment” approaches, we looked past the larger structural forces and shifted the responsibility of a solution to marginalized communities themselves (Baradaran 2019). The sheer magnitude and enduring legacy of discrimination, segregation, and intentional theft require a suite of policies and strategies that are far-reaching and structural. Anything less will prevent us from enacting meaningful change to the rules and structures that uphold wealth inequality and cement Black Americans in a disadvantaged place.

The dominant gap-focused framework distracts us from reckoning with the systemic economic decisions that are actually driving racial wealth inequality and addressing their root causes.



And finally, chasing a gap will not help us curb corporate power, rectify government-sponsored wealth-stripping, or reimagine the structure of our economy. Calls to close the racial wealth gap have not embodied an organizing strategy to build power to change rules and mental models. Anat Shenker-Osorio, a communications consultant, researcher, and author, asserts that “A ‘gap’ isn’t a stirring call to action, it’s a clothing store” (2011). The racial wealth gap largely remains silent about how white people have historically relied on government help to build wealth across generations through a legacy of legal advantages and physical violence on communities of color. By setting the goal of closing a racial wealth gap or divide, we continue to imply that separate economic fates are possible and desirable (Shenker-Osorio 2011). Our society needs a structural understanding of what’s gone wrong and structural solutions. Thus, we need a broader framework that underscores deep-rooted inequity and provides space to explore how strategies and policies at all levels of government can address this legacy.

TACKLE THE STRUCTURE OF THE ECONOMY

Curbing Corporate Power and Reviving Government Power

For Black Americans, historical disadvantage is baked into the economy (Shapiro 2017; Baradaran 2019). Housing, for example, has been historically marked by isolation and distress where values are extracted from Black people (Taylor 2018). Government officials have ceded their responsibility to house people to a real-estate industry that has historically weaponized racism, and often gendered racism, to generate profits, and it continues to play a role in residential segregation (Hill 2011). Government housing leaders and regulators privileged and fueled wealth accumulation for white people and facilitated theft from Black people by working on behalf of corporations and private interests, which disproportionately serve white people (Katznelson 2006). This has contributed to the housing crisis and the historic low homeownership rates among Black Americans that we see today.

Policy conversations centered on tackling the racial wealth gap often fail to acknowledge how the combined effect of the structural power dynamics of unchecked corporate power and both corrupted and eroded government power has reinforced and exacerbated racial wealth inequities.



Getting to the Root of the Racial Wealth Gap and Why Power Matters: Housing

The 2008 foreclosure crisis provides a chilling illustration of how outsized corporate power and distorted public power created the greatest confiscation of economic assets from Black people in modern American history (Hill 2011). The deregulation of the financial sector allowed politicians to dismantle the protections created after the stock market crash of 1929 that launched the Great Depression, encouraging financial institutions to take unproven risks. Housing brokers invented and reinvented loan terms at their whim while politicians looked on from the sidelines. Bankers deliberately issued mortgages to families who could not afford them with the intention of taking their homes, so they could turn a handsome additional profit from reselling them. The toxic mix of irresponsible financial deregulation, bankers' exploitive practices and reckless gambling and borrowing, and too little transparency resulted in an estimated \$7 trillion in home equity stripped from American families (Center for Responsible Lending 2012); Black people had nearly half (47.6 percent) of wealth removed from their grasp (Kernan et al. 2014). This was a white-collar heist of epic proportions.

And the same corporations that were responsible for the foreclosure crisis in 2008 continue to profit off of and extract wealth from Black Americans today. Investors have erected a shadow housing market in which traditional mortgage foreclosure protections don't apply through new predatory arrangements like land installment contract sales. This built-to-fail arrangement largely targets Black people and other communities of color who do not qualify for conventional loans, and it uses methods to find ways to cancel the contract so as to churn over as many would-be homeowners as possible. This type of contract was historically used to sell homes to friends and family, but the use of land installment contracts attracted because they can reap massive profits by quickly evicting defaulting borrowers (Battle et al. 2016).

There is little wonder as to why homeownership rates among Black Americans have declined to levels not experienced since racial discrimination was legal in the 1960s. The Great Recession, for instance, slowed early Black Gen Xers' ability to purchase homes from 2000 to 2010 (when they were in their 30s and early 40s) and resulted in more of this generation having their homes taken than becoming homeowners after 2010 (Goodman, Zhu, and Pendall 2017). Homeownership is often mischaracterized as a prime driver of racial wealth inequality and has been an ongoing focus of efforts to close the racial wealth gap. Although most Black people with some wealth are more likely than white people to hold a greater share of wealth in their homes, the evidence simply does not support the claim that racial homeownership differences explain racial wealth inequality (Darity et al. 2018).



Moreover, an emphasis on increasing Black homeownership as a means to close a racial wealth gap derails us from addressing the root causes of discrimination, exploitation, and predation in our nation's housing markets. It also obscures who has the power in our economy by promoting a neoliberal frame of inclusion and colorblindness. Historically, homeownership programs allowed the real estate industry outsized influence and control over residences that intended to serve a high share of Black people. In turn, Black Americans are at the whims of an industry whose wealth has been largely generated through racial discrimination and segregation as a business model (Taylor 2019). Moving beyond the goal of closing a racial wealth gap means addressing the compounding effects of structural racism, residential segregation, and extractive corporate practices that ensure that the gains of the economy flow to powerful corporations and white elites (Hamilton and Neighly 2019). Residential segregation is a mechanism that maintains white supremacy and has been upheld by private interests through the public sector. Although governments at all levels have been complicit in practices that promote segregation and discrimination, they must lead the way in dismantling racial oppression. To improve the lives of Black people and all Americans, greater public provision that attends to both market dynamics and structural racism is critical. We must use the power of government to weaken the stronghold that private equity firms and the real estate industry have over Black people. A proposal from Mehrsa Baradaran, for example, would create a federally funded program that places investment dollars and equity directly in the hands of community members. It calls for purchasing abandoned properties and granting them to families who are struggling to get by or to those who experienced direct harm from redlining and disinvestment (Baradaran 2019).

Moving beyond the goal of closing a racial wealth gap means addressing the compounding effects of structural racism, residential segregation, and extractive corporate practices that ensure that the gains of the economy flow to powerful corporations and white elites.

In order to rein in corporate power and revive public power, we must rewrite the rules and change the norms that guide corporate behavior and also remake the systems that structure power in our economy—ultimately, disconnecting the ill-used power of government from corporations and private interests (Abernathy et al. 2019). Notably, we must abandon the idea that private markets provide true choice and freedom (Wong 2020). We also don't



have to accept government's engagement in predatory and extractive practices that benefit corporate and private interests as inevitable. We can move government to promote social freedoms and to provide a basic level of economic security and a suite of universal public goods to counter racial and gender inequality. Changes in our antitrust laws can mitigate market power and diminish companies' ability to use anticompetitive schemes that exploit workers and extract their wealth. We must also reduce the power of shareholders to put their interests first and do so at the expense of investment in workers, long-term growth, and innovation.

Connecting the Dots Between Mass Incarceration and Corporate Government Power

The concentration of corporate power and corruption of government to serve corporate and private interests reflect a long-standing history of imposing debt and extracting wealth from Black people. Not only is this evident in America's housing market, as mentioned above, but it is also a prominent feature of the nation's criminal justice system, where white elites gain political *and* financial returns for incarcerating Black people. We cannot change the underlying conditions that lead to racial wealth inequality without a deliberate focus on the collateral effects of mass incarceration and wealth-stripping mechanisms that represent a new form of government-sponsored plunder.

The dramatic rise of mass incarceration has affected nearly every community in America, but it has not impacted them equally. By the end of 2017, Black people made up more of the federal and state prison population than any other racial group (Gramlich 2019). Black men are incarcerated at a rate that is almost six times higher than white men; and for Black men in their thirties, about one in every twelve is in prison or jail on any given day (The Sentencing Project 2018). Additionally, Black women are incarcerated at a rate almost double that of white women. And women bear a heavy burden to support friends and family members who are justice-impacted by posting bail (Bhattacharya et al. 2019).

We cannot change the underlying conditions that lead to racial wealth inequality without a deliberate focus on the collateral effects of mass incarceration and wealth-stripping mechanisms that represent a new form of government-sponsored plunder.



Criminal fines and fees have multigenerational effects on wealth and long-lasting economic consequences for Black communities. Criminal-sponsored debt is a *debt anchor*, because it cements Black Americans and others in place, confining them to a life of poverty and low wealth, and also hinders other generations' chances of reaching their full potential. Incarceration and even an arrest can radically undermine a person's capacity to find and keep a job and to build wealth, and it often strips them of the possibility of ever acquiring assets, such as a savings account, a home, or even a car. People who have been incarcerated are burdened with a total of \$50 billion in debt for various criminal justice costs, such as pretrial detention, court fees, and incarceration costs, and are often threatened with reincarceration if they fail to pay their fees and fines. People leaving prison are saddled with an average of \$13,607 in fines and fees, and estimates reveal that as much as 60 percent of a formerly incarcerated person's income goes toward criminal justice debt (Evans 2014; Bozelko and Lo 2018). Though there is a paucity of research on wealth and the criminal justice system, a recent report on Millennial women and wealth shows that Black women under the age of 30 with an arrest have a mere \$2,580 in wealth—one-third the wealth of white women with an arrest (Bhattacharya 2019).

It's important to note that the outsized power of the real estate market promoted and maintained segregation, which made it easier to isolate, divest from, surveil, and police Black people who were concentrated in certain neighborhoods (Kahlenberg and Quick 2019). Ultimately, this allowed local governments to use Black people to increase their revenue.

The collapse of the housing market, which created a global economic crisis, is inextricably connected to criminal justice debt. The Great Recession resulted in a loss of revenue to municipalities, which then catalyzed the creation of municipal fiscal schemes that use the police to seize wealth from Black people and other people of color. Following the 2008 financial crisis, municipalities in 47 states increased their civil and criminal fines and fees in order to fill their budget shortfalls, unloading their fiscal responsibilities to creditors onto their own residents (Nyman and Kelley 2019).

The financialization of municipalities, loss of key revenue streams, and capital flight have led to methods of aggressive revenue generation through criminal fines and fees that target poor Black people (Wong 2018). In fact, there is a direct relationship between a high Black population and high criminal fees; these places have Black populations five times greater than the national average. Places with high shares of white people do not issue as many fines as those with large Black people (Brand 2018). State and local governments continue to extract wealth from Black people by engaging in what is becoming a predatory state based on a neoliberal frame of austerity and a response to the dynamics of financial markets. The reality is: We are living in a *debt economy* driven by corporate power. We



must shine a light on systems of plunder as they are built anew to prevent the formation of new modes of predation and theft that would deny economic freedom to this generation and future ones. All across the country, grassroots organizations, legal service programs, advocates, and justice-impacted organizations and people are elevating how runaway corporate and misused public power perpetuate racial and economic inequities. The Fines and Fees Justice Center, Debt Free California, Free to Drive Coalition, and many others are leading campaigns to eradicate civil and criminal fines and fees, mandatory sentencing requirements, and money bail—just to name a few. This is why we need a structural framework to rectify racial wealth inequality.

The reality is: We are living in a debt economy driven by corporate power.

Ensuring Greater Democratization by Building Power to Fix the Structure of Our Economy

The rise of indebtedness and wealth extraction schemes as the result of the imbalance in corporate and public power are key drivers of racial wealth inequality and call for greater democratic accessibility. We must rebuild our faith in public institutions and restore public power, which means making our democracy more equitably accessible as well as accountable and curtailing the influence of corporate political spending in policy decision-making. This should entail:

- Addressing the role that voter suppression methods and restrictions play in the outcomes of elections, and replacing voter organizing around each election cycle with a continuous watchful eye. At a minimum, we must fully restore Section 5 of the Voting Rights Act and repeal felony disenfranchisement and strict voter ID laws;
- Strengthening workers' leverage and bargaining power by reforming labor laws and enforcement, including the ability to form unions to collectively bargain, and expanding how working people collectively negotiate through various types of enforceable agreements; and,
- Increasing wages and working conditions to enable working people to have dignity in the workplace. We can require that all corporations obtain charters from the federal government and end the practice of state-granted corporate charters, so that corporations will consider the interests of workers and other stakeholders beyond stockholders.



Advocating for small-donor public financing can facilitate political participation of non-wealthy residents as donors and as candidates. Establishing a voluntary system that allows constituents to give small amounts of funds that can be matched by public money will improve the diversity of officeholders and also curb corporate corruption.

Pushing for greater public and philanthropic investments in community-owned and community-governed economic development projects can help to create shared prosperity and self-determination as well as build collective political power. Projects that create pools of capital by, for example, allowing neighborhood residents and other communities to collectively decide how to use those funds for the betterment of the entire community.

Ultimately, economic power and political power are inextricably linked, and the rise of unchecked corporate power is threatening the fabric of our nation's democracy. Our physical and emotional safety, dignity, and peace of mind are interconnected with true economic security and liberation. And that liberation is not possible without a strong democracy. Since the Supreme Court's 2010 ruling on *Citizens United*, which permitted corporations to spend unlimited money on elections, the wealthy elite are using their economic power to command political influence to maintain an unrepresentative government and advance economic policies that disproportionately harm Black Americans. Policy priorities of the donor class, which is overwhelmingly white, often diverge significantly from Black people and other communities of color on issues such as the minimum wage and paid sick leave (Lioz 2015). In the period following the Civil Rights Act, greater democratic participation led to measurable improvements for Black Americans, including greater labor market opportunities and outcomes and more public spending. And many believe that our current neoliberal economic system was a backlash to this expanded inclusion.

Remaking our democracy is a critical component of restructuring the rules of our economy and ensuring full economic participation; it is not a coincidence that our economy has grown increasingly imbalanced as our democracy has become increasingly exclusionary. In order to strengthen our democracy, we need to prioritize full participation in the processes of our economy.

Renewed democratic participation can take many forms. Fundamentally, it must incorporate the power to cast a vote, which is what enables Black Americans to shape national and local decisions. Our nation, however, is at a crucial juncture to create, maintain, and preserve the vote for Black people. According to Carol Anderson, author of *One Person, No Vote*, we have created a nation where “democracy is simultaneously atrophying and growing—depending solely on where one lives” (History News Network 2018). For example,



Georgia purged 1 million votes from the rolls and held tens of thousands of votes in limbo before the 2018 midterm elections. Recent research from 20 polling sites in the City of St. Louis and St. Louis County during the 2018 midterms revealed that communities with higher percentages of Black residents experienced voting-machine malfunctions, confusion about polling pads, had fewer election judges, and greater interference with the free passage of voters (Schoenher 2019). Also, as mass incarceration has grown, so have the number of the disenfranchised because of felony convictions. Estimates show that 1 in 13 Black Americans (7.4 percent of the Black population) is disenfranchised, a rate that is more than 4 times greater than non-Black voters (Uggen, Shannon, and Manza 2016).

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Expanding democratic participation through the vote is just one way to build power; we should also expand worker power as a necessary way to foster a more robust and inclusive democracy and economy. We can start by restoring labor protections and bargaining power, as well as addressing the erosion of worker power that has been driven almost entirely by intentional policy decisions. Coordinated legal, political, and policy attacks on unions, such as the recent *Janus* decision—which significantly impedes the ability of public sector workers to unionize—have contributed to a decline in union membership and to the deterioration of worker voice, as workers have become increasingly employed in previously unseen arrangements (Samuels 2018; Flynn 2018).

Fundamentally, Black people have not enjoyed the same labor protections as white men, and their labor has not been as valued. As work changes, Black people—and people of color more broadly—are being channeled out of traditional, more stable jobs and into less stable, secure work. Black people, and particularly Black women, act as “canaries in the coal mine” of our imbalanced, unfair economy (Guinier and Torres 2003). Low wages, unchecked employer power, and eroded worker agency and voice have long been a part of the Black experience—which points to the longstanding structural disadvantages built into our society. Black people who were left out of the good postwar jobs were used by temp agencies as the dress rehearsal for most of people’s jobs today in an increasingly “gig economy” (Hyman 2018; Flynn et al. 2017). Solutions to address racial wealth inequality must be framed around what is causing economic instability and inequality in the first place.



The conditions workers experience in the labor market and in their places of employment are directly connected to the socioeconomic conditions they experience in their communities. Weakening public institutions, such as public schools and public transit, are driven by the same forces of corporate power that are hurting working people. “Workers in turn cannot improve their lives without gaining an effectual collective voice in shaping their world, on and off the job. The same forces that are weakening worker bargaining power and making work more precarious are also undermining public institutions. That requires revitalizing democracy and making it real” (Gupta, Lerner, and McCartin 2018).

A new racial wealth framework should provide the opportunity to incorporate and expand notions of democratization, which allows for Americans to govern important aspects of their lives and fully participate in democratic processes, from sitting on a local city council to participating in a community process to cooperatively own assets. The Boston Ujima Fund is an example of a community-driven democratic investment vehicle. It is a membership-based organization that brings together a wide variety of stakeholders, so that people who live and work in a community (predominately working-class neighborhoods of color) can create a pool of capital and then collectively decide how to use that fund to improve the entire community. There are required standards that cover everything from fair workweek policies and limits on pay disparities to ensuring that businesses are 50 percent minority-owned, with 60 percent of employees being people of color. Ujima expects to raise \$500,000 from people living in working-class neighborhoods of color.

Effectively addressing all of the abovementioned issues will be no easy task, particularly in our current political environment. However, it is critical to recognize how success on one front relies on the success of others and that achieving greater wealth equity will require a strategic, structural focus on each of these fronts.

Supporting the Provision of Public Goods

Solving the problem of racial wealth inequality is challenging and complex, but it must include a race-conscious approach to the provision of universal goods as a means to true freedom and dignity (powell 2019). We must look beyond the restricted role of government that neoliberal economic frameworks have painted for us and advance a vision for government as an entity responsible for promoting social freedoms and providing a fundamental level of economic security and a suite of universal public goods. The provision of public goods is increasingly being hijacked by the private sector—from private childcare to student loans and for-profit colleges—and prevent the majority of Americans from accessing public programs that they can collectively build within in their communities and thrive from (Konczal and Abernathy 2018).



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Higher education, for example, serves as a powerful example of how the transfer of public goods over to private markets has resulted in disastrous consequences, especially for Black people. The establishment of federal loan programs was instrumental in allowing state and local governments to abandon their responsibility to fund higher education. As student debt facilitated the decline of higher education as a public good, it also became a mechanism for building private power. The shift to debt financing has not only resulted in greater racial inequality, but it also symbolizes the imbalance of power in our economy (Morgan 2019). Black families have limited to no wealth to fall back on to help offset the cost of college, and nearly half (49 percent) of all Black borrowers who first enrolled in college in 2004 defaulted on at least one loan within 12 years—a rate that is more than twice that of white students (Fain 2017).

Black students with bachelor's degrees are more likely than members of other racial and ethnic groups to attend graduate school, but they are also more likely to accumulate debt, with only 19 percent completing a master's degree without borrowing and 16 percent borrowing \$75,000 or more. In stark contrast, 43 percent of white master's degree recipients avoided borrowing at all, and only 7 percent borrowed \$75,000 or more for graduate school. One contributing factor in debt levels by race is that Black students are more likely to enroll in for-profit institutions. In 2015–16, half of all Black doctoral students attended for-profit institutions—which is almost three times the rate of all doctoral students nationwide—and 80 percent borrowed an average of \$109,000 for their degrees (Espinosa and Baum 2019).

This is happening for multiple reasons, the foremost being centuries of racist, regulatory failures and free-market policies and practices. Economists Darrick Hamilton and William “Sandy” Darity Jr., have long touted a race-conscious Economic Bill of Rights that would ensure direct public provision and is designed for the 21st century. Fashioned after President Franklin D. Roosevelt’s Economic Bill of Rights—which called for the right to a job, housing, health care, an education, and even an economy free of unchecked corporate and monopoly power—Hamilton and Darity expand those rights to include sound banking and financial services, a safe and clean environment, and a meaningful endowment of



resources as a birthright (Flynn and Holmberg 2019). Hamilton asserts that “there are a set of enabling goods and services that are so critical for life, liberty, and self-determination that their production and distribution should not be vulnerable to the rationing and pricing that come about from firms trying to maximize profits for their shareholders” (Hamilton 2019). To curb corporate power, we need to build greater social movements and reimagine public power in ways that support government action to supervise markets against exploitive practices and do what markets cannot (or will not) do on their own: provide essential universal services that create an equitable, decent society. Some states and localities are taking action to provide universal goods. For example, Oklahoma, West Virginia, Georgia, and the District of Columbia have tenaciously moved to provide high-quality preschool to all four-year-old children. Iowa and Alabama are also inching toward universal preschool, and California is considering free, universal preschool for families who need it most (Stavely 2018).

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CHANGING THE NARRATIVE ON THE ECONOMY AND RACIAL WEALTH INEQUALITY

Cultural narratives shape the way in which economic issues and solutions are identified and determine how Americans are categorized and treated. Powerful narratives can serve as a critical component of economic equality and freedom, while unsound narratives can work against these goals. Our ability to address racial wealth inequality is predicated on shifting narratives that reinvigorate our imagination and disrupt the balance of power. We must first address how Americans think about the economy and wealth inequality as a law of nature, rather than a human-made choice.

Ultimately, we cannot build power to change the rules that created wealth concentration and inequality without shifting mental models that lead people to think that both the economy and racial wealth inequality are natural. We must convey that people make choices and the economy is made up of people, meaning that the



economy is within our control. People suffer and have needs; defined by human choices, the economy does not. Policymakers and other power-holders and decision-makers create racial wealth inequality; the economy, on its own, does not (Shenker 2011). Therefore, we can reestablish and reinforce the belief that wealth inequality is human-made by shining a light on how wealth was and is generated, including how it is extracted from one group to directly benefit another.

In addition, we must counter neoliberal narratives that privilege and naturalize markets, “repackage historic vestiges of white supremacy,” and place economic prosperity on individual effort (Inwood 2015). Neoliberal narratives are deeply embedded in the American psyche and predicated on the idea that, through sheer determination and ingenuity, anyone can make it financially by working hard and picking themselves up by the bootstraps. Corporations and wealthy elites have poured billions of dollars to uplift and advance this thinking. According to Judith Barrish and Richard Healy, neoliberalism has tremendous narrative power. The neoliberal narrative suggests that when people find themselves in economic precarity, it must be because of something they did wrong. They must have made bad decisions and never learned how to save and budget. In other words, it’s your fault that you are poor, and the solution lies in “fixing you” and changing your behavior. The focus on personal responsibility allows us to ignore the deep structural change that needs to occur in order to address who has power in our economy and democracy. We need to take the 10,000-foot view on how our economy is structured to realize that it rewards the wealthy and penalizes the poor, rather than honing in on the minutiae of individual behavior. Choices matter, but it’s important to realize that decisions are being made in the larger context of economic power that is the hands of a select few (Bhattacharya and Price 2019).

Finally, we must build broad collective action and greater institutional support to address the underlying narratives and foundational cultural beliefs that have prevented us from making progress. Rashad Robinson, president of Color of Change, a leading online racial justice organization, offers profoundly new thinking about narrative power, which he defines as the “ability to create leverage over those who set the incentives, rules and norms that shape society and human behavior. It also means having the power to defeat the establishment of belief systems that oppose us (Robinson 2018). Although there is growing interest in building racial equity, we have not seen a strategic movement or deep investments to build a narrative infrastructure to address racial wealth inequality. Robinson characterizes “narrative infrastructure” as “singularly equipping a tight network of people organizing on the ground and working within various sectors to develop strategic and powerful narrative ideas, and then, against the odds of the imbalanced resources stacked against us, immerse people in a sustained series of narrative experiences required to enduringly change hearts, minds, behaviors and relationships” (Robinson 2018).



Although there is growing interest in building racial equity, we have not seen a strategic movement or deep investments to build a narrative infrastructure to address racial wealth inequality.

Centering Blackness Can Support a Vision of Freedom and Dignity for Everyone

The real-life needs of Black people have been historically overlooked and undervalued in the creation of economic policies. There is a growing recognition that structural racism generates unequal life outcomes for Black people, which in turn shapes economic policies that negatively impact everyone else, including white people. Yet, there is still a great deal of reluctance, even among the progressive minded, to consider the Black experience as the foundation of our economic policies and to embark on a serious and sustained effort to center Blackness as a necessary condition of economic freedom and dignity for all Americans.

In these times and under these conditions of extreme racial and economic inequality, we must be willing to reject models of thinking that are based on white supremacy and shift shared narratives in order to reinvigorate our imagination and disrupt skewed power dynamics. It is time to champion new thinking that is shaped by what we deeply and collectively value in life, such as self-determination and dignity, to help create a society where everyone can thrive and experience shared abundance.

Anti-blackness is deeply rooted in our culture and economic policies, and it is the foundational architecture of the rules that maintain racial oppression and economic exclusion today. We need a new approach to reassess and reimagine the rules, policies, and narratives that uphold anti-Blackness. If we want to see real change in America, we have to come to terms with the fact that anti-Black sentiment has permeated our history and led to dehumanizing and paternalistic systems that intentionally subjugate and constrict people rather than lift them up. Without being intentional in grappling with the strong role that anti-Blackness plays in shaping most economic policies, we will continue to be unsuccessful in advancing economic solutions that help all of us.

Centering Blackness may be one of our greatest hopes to build solidarity and work together to achieve economic liberation and equity. It speaks to how power works in America and the role that race, and specifically anti-Blackness, has played in a system of domination and marginalization based on race. According to Community Change President Dorian Warren,



the liberatory potential of centering Blackness is the light it shines—not on Black identity per se but more on the systems of power that operate to marginalize, and, most importantly, on the political solidarities needed for liberation. It points us to a world built on “linked fate” and interdependence, which upholds a vision of true freedom (Price, Bhattacharya, and Warren forthcoming).

Anti-blackness is deeply rooted in our culture and economic policies, and it is the foundational architecture of the rules that maintain racial oppression and economic exclusion today.

Centering Blackness is a lens in which we can see the interactive effects of discrimination, subjugation, and disempowerment on the lives of Black people and how they are baked into our policies, practices, and institutions. Simply put, centering Blackness recognizes the uniqueness of economic disadvantage that has come to define the majority of the Black experience and puts it at the core of our vision of racial justice. Anti-Blackness doesn't just impact Black people; it holds back and harms all Americans. We must consider that anti-Blackness ensnares all the beneficiaries of economic-related policies and programs. The expansion of Medicaid through the Affordable Care Act (ACA) is an example of how non-Black people can experience the collateral effects of anti-Black racism. Medicaid expansion guaranteed access to health care coverage under the law no matter where people live. However, Southern states fought back and won. Medicaid expansion reinforced the racist and discriminatory aspects of Medicaid that were built into the program from its very inception, when Southern legislators opposed a universal safety net because the federal aid provided to Black workers would upend the racial hierarchy that kept most Southern Blacks economically dependent on white people (Pearson 2019). In Mississippi, a state where Medicaid was not expanded, white women lack health coverage at a higher rate than Black women.

New research is highlighting how sexism and gendered racism impacts life outcomes for Black women (Flynn and Mabud 2019). Women are often the glue that holds families and communities together, too frequently sacrificing their own financial stability and emotional well-being for their communities. Two-thirds of mothers play a significant role in the financial well-being of their families; yet, women are paid less, crowded into certain (often low-wage) occupations, and work in jobs that lack wealth escalators and consequentially leave them with less wealth than men.



Simply put, centering Blackness recognizes the uniqueness of economic disadvantage that has come to define the majority of the Black experience and puts it at the core of our vision of racial justice.

Economist Michelle Holder adds that the “wage gap squared,” or the double gap³, illustrates how Black women disproportionately provide their productivity and simultaneously sustain corporate profitability (Ross 2019). Additionally, Black women have some of the lowest wealth levels of any group. Research shows that Black women have far less wealth than white women, regardless of level of education; single white women *without* a college degree have \$3,000 more in median wealth than single Black women *with* a college degree; and typical, single white women with a bachelor’s degree have seven times the wealth of their Black counterparts at \$35,000 and \$5,000 in median wealth, respectively (Zaw et al. 2017). Moreover, single white women with kids have the same amount of wealth as single Black women without kids. By centering Blackness, focusing on the structural disadvantages that harm Black women—the most marginalized—and utilizing a structural framework for solutions, we are building a better system for the many and inherently lifting up all Americans. Recent efforts, such as Magnolia Mother’s Trust, counter harmful narratives and, by acknowledging the ways that race and gender operate together to lock women into economic insecurity, are examples of solutions that center Black women (Martin 2019). Magnolia’s Mother Trust is testing a guaranteed income program by providing 20 Black mothers in Mississippi, who previously earned an average of \$11,030 annually, a \$1,000 a month stipend. As Black women have historically been vilified as promiscuous, frauds, and underserving of a public benefits system—that is actually often more punishing and dehumanizing than it is helpful—Magnolia’s Mother Trust is working to counter the “welfare queen” narrative and challenging us to truly see and repair the lives of struggling Black women by centering their needs.

³ Faced by both gender and racial wealth gaps, Holder argues that Black women disproportionately provide their productivity to corporations and are not remunerated in kind.

Conclusion

It has been an uphill battle to advance progressive policies and strategies that get at the root causes of racial wealth inequality, and this will be the case for years to come. This is why the importance of our collective work—and the need for a new framework—is greater than ever before. We need policies that address the precarity of work, establish protections that help people weather unforeseen upheavals, build up wealth and promote social freedoms, and prioritize the well-being of the public at large rather than the interests of the wealthy few. For our democracy to work, we need a system that disallows private interests from distorting the influence of government, politics, and policymaking.

What we are seeing in our economy today is the failure of old approaches, largely predicated on neoliberalism. We absolutely cannot proclaim to be solving for racial wealth inequities while at the same time repackaging lists of familiar ideas that are built on austerity, personal responsibility, and toxic individualism. Urgency takes on new meaning in today's economic and political climate, and we can't continue to predominantly call for closing a racial wealth gap without intentional, structural strategies and the necessary rebalancing of power to make it happen.

Ultimately, a new racial-wealth framework—one that centers the *root* of racial wealth inequality rather than fixating on the *gap*—will create a broader opportunity to tackle the structure of our economy while also taking a hard and honest look at what freedom and dignity mean today and what they could mean for all of us, especially Black people. We must seize the moment to think big and dismantle anti-Blackness, the foundational architecture of the rules that maintain racial oppression and economic exclusion today. Without being intentional in grappling with the strong role it plays in shaping most economic policies, we will continue to be unsuccessful in advancing economic solutions that both rectify the failings of the past and help everyone thrive in the future.



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