

# The Racial Wealth Divide

Dedrick Asante-Muhammad

Chief of Race, Wealth and Community

National Community Reinvestment Coalition

# Racial Wealth Divide as The Foundation of Racial Inequality

**INDIAN LAND FOR SALE**

GET A HOME  
OF  
YOUR OWN  
ON  
EASY PAYMENTS



PERFECT TITLE  
-  
POSSESSION  
WITHIN  
THIRTY DAYS

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

In 1910 the Department of the Interior has been forced to acquire more land as follows:

State	Acres	Price per Acre	State	Acres	Price per Acre
Colorado	5,211,221	\$7.27	Oklahoma	34,664,000	\$10.14
Idaho	17,051,600	14.45	Oregon	5,000,000	15.43
Kansas	2,664,500	10.45	South Dakota	120,440,000	14.53
Montana	11,664,000	9.66	Washington	4,874,000	43.27
Nebraska	5,441,000	10.45	Wisconsin	5,000,000	17.00
North Dakota	22,820,700	9.50	Wyoming	800,000	20.64

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

The following is a list of the names of the land for sale, "INDIAN LAND FOR SALE," in the Department of the Interior, based on the list of the land for sale.

WALTER C. 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.

# Narratives Shape Our Understanding of Reality

“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.**”  
–Dr. Martin Luther King JR

## The MYTH:

There is a system that works, and communities of color are doing something wrong

In their finances

On the job

Personal decisions

## The TRUTH:

Our economy is designed to reward the wealthy and leave others behind

An upside down tax system

Residential economic segregation

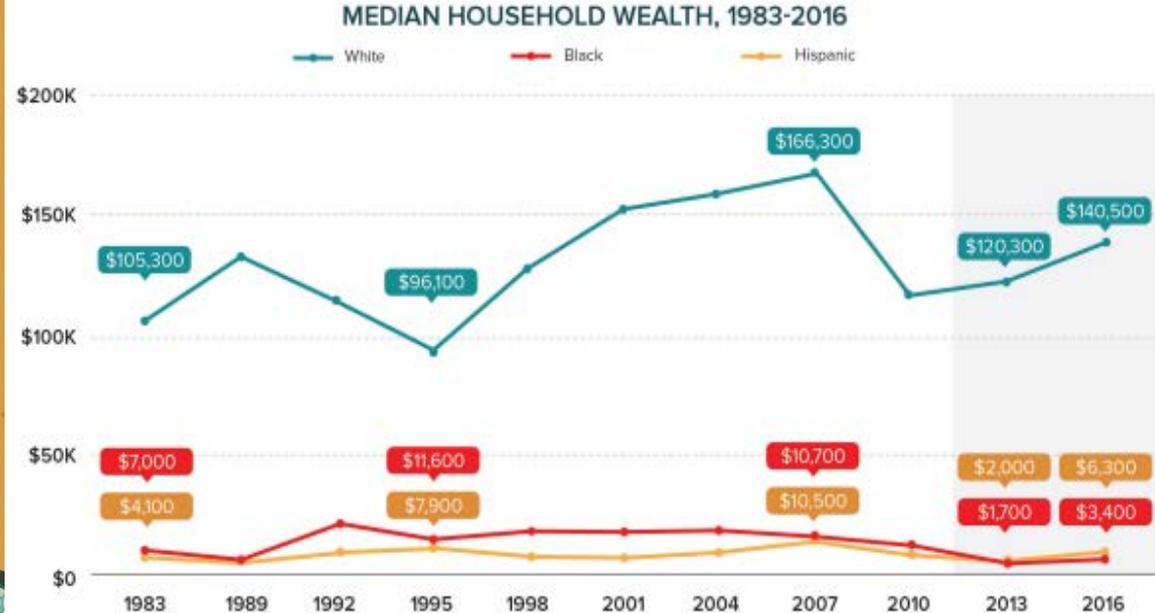
Lack of investment in disenfranchised communities

# Comparing the Growth of U.S. Family Incomes

An infographic by **United for a Fair Economy**



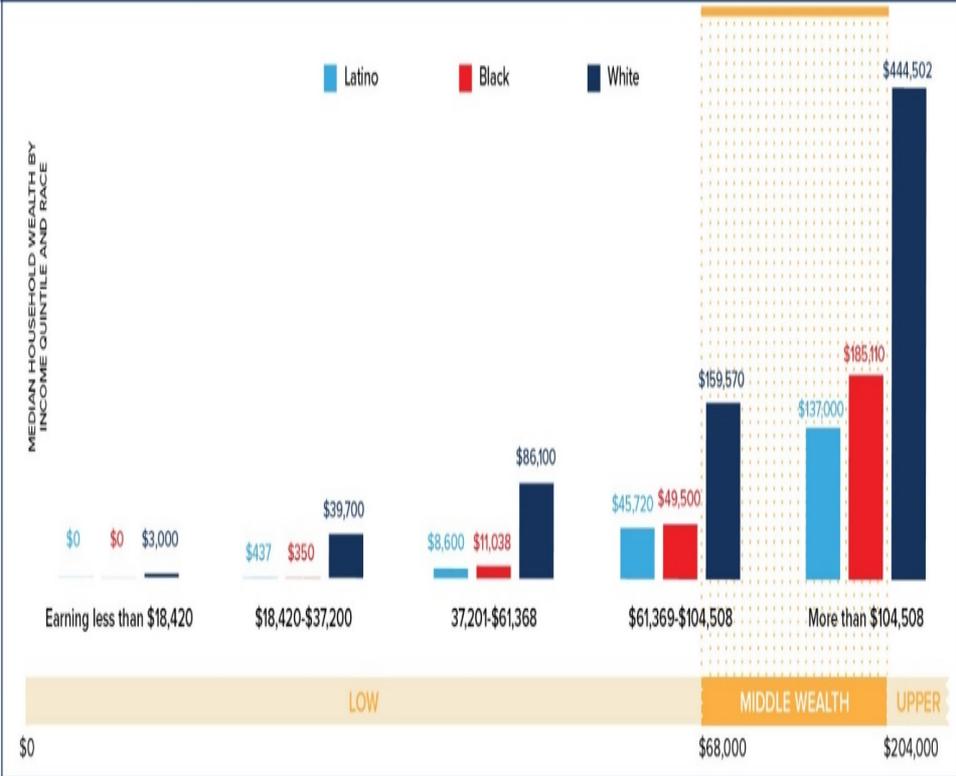
# The Growing Racial Wealth Divide



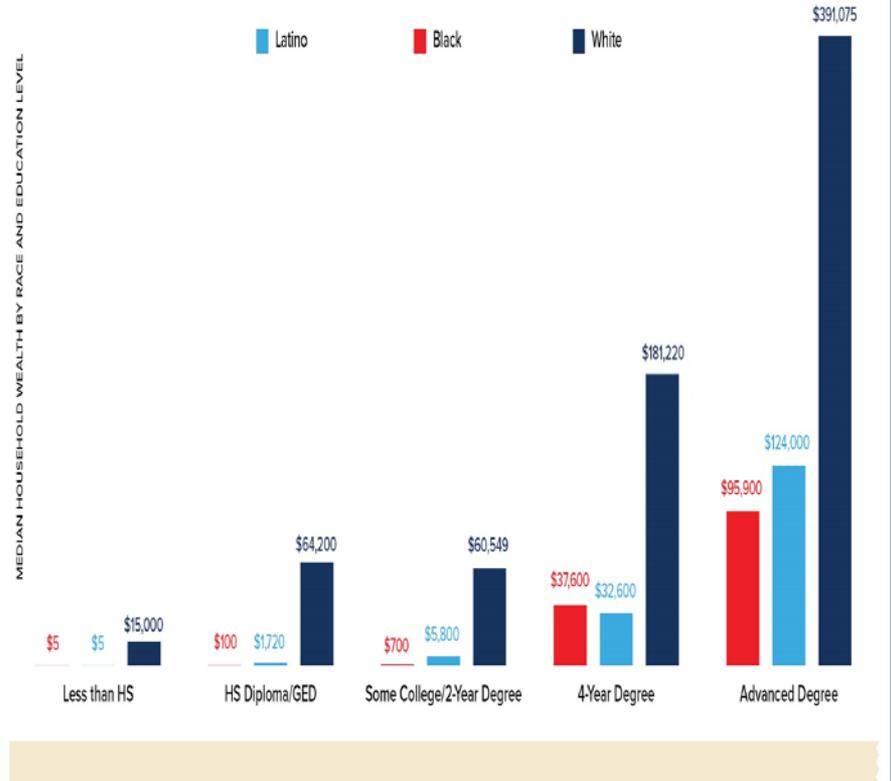
Source: Household Wealth Trends in the United States. See methodology for more details.

# Income and Wealth

Middle-Class Wealth Economic Security Is Unequally Distributed Along Racial Lines



# Education & Wealth



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014. Wealth figures depicted above exclude durable goods.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014. Wealth figures depicted above exclude durable goods.

# 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.

# Categories of Assets

**Housing**: Housing is an asset that helps one secure, capitalize and save. Housing should provide a safe and supportive place for a household to reside. ***Housing is most often at the center of all other forms of assets .***

***Employment***

***Income***

***Food Security***

---

***Childcare***

***Education***

***Health Care***

***Transportation***

---

***Family/Social Relation***

***Communiy Resources***

***Community Involvement***

---

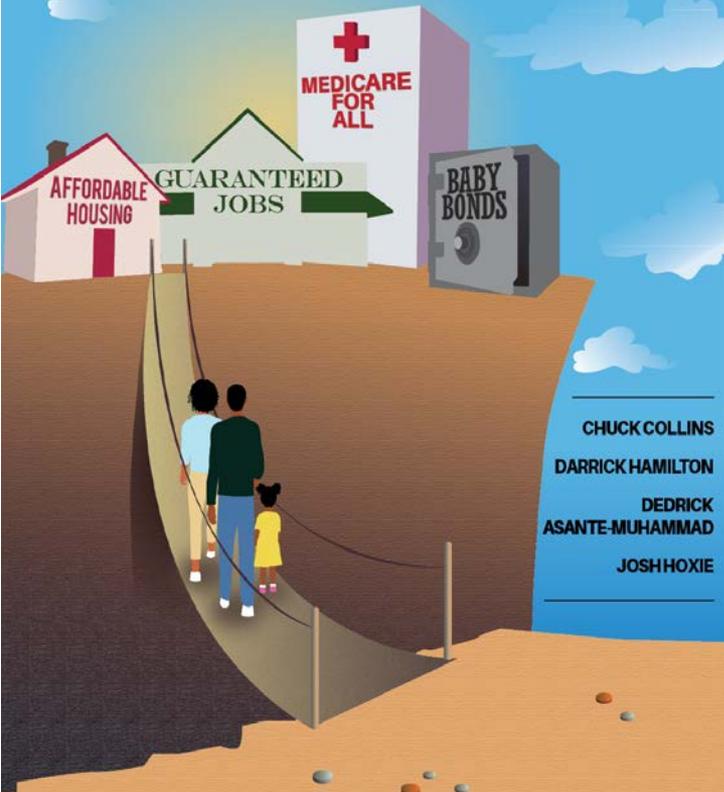
***Legal***

***Finance and Financial Resources***

***Saftey***

---

# TEN SOLUTIONS TO BRIDGE THE RACIAL WEALTH DIVIDE

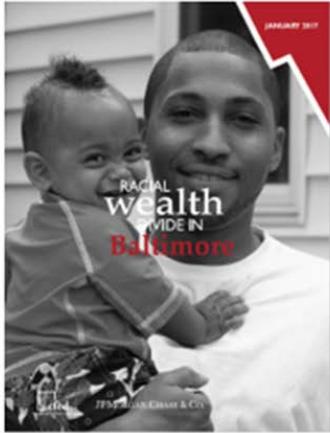


CHUCK COLLINS  
DARRICK HAMILTON  
DEDRICK  
ASANTE-MUHAMMAD  
JOSH HOXIE

Need a multifaceted approach, a better understanding of wealth and economic development, and a progressive economy to address racial wealth divide.

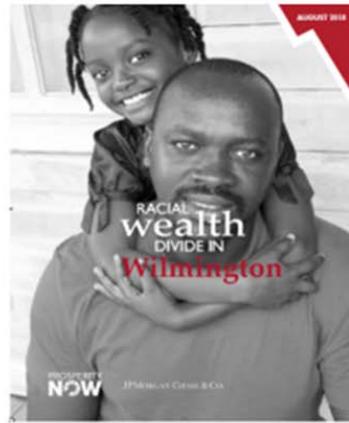
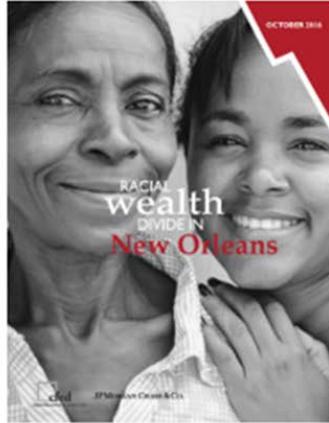
1. Baby Bonds
2. Guaranteed Employment & a Higher Minimum Wage
3. Invest in Affordable Housing
4. Medicare for All
5. Postal Banking
6. Raise Taxes on the Ultra - Wealthy
7. Turn Upside Down Tax Expenditures Right Side Up
8. Congressional Committee on Reparations
9. Improve Data Collection on Race and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

The Freedom Budget: Abolition of poverty; Full employment; Full production / high economic growth; Adequate minimum wage; Farm income parity; Guaranteed income for those who can't work; Decent homes for all; Modern health services for all; Full educational opportunity for all; Better social security and welfare; and Equitable tax and money policies



## 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
- 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 within 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
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

**Racial economic inequality is never addressed unless it is explicitly addressed.**

# STAY CONNECTED



**D. Asante-Muhammad**  
@DedrickM

[twitter.com/DedrickM](https://twitter.com/DedrickM)



[soundcloud.com/  
raceandwealthnetwork](https://soundcloud.com/raceandwealthnetwork)

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



[facebook.com/racialwealthdivide](https://www.facebook.com/racialwealthdivide)



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



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