



ADVOCATES FOR JUSTICE, INSPIRED BY CATHOLIC SISTERS

RACIAL WEALTH *and* INCOME GAP EXPERIENCE



Facilitator's Guide

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A Note for Facilitators

Economic anxiety is rampant in many of our communities across the country, and we here at NETWORK are committed to advocating in solidarity with people at the margins of our society. The racial wealth and income gap is one of the major gaps we are trying to mend, and to do that we need to understand how it came to be.

We've put together this Experience, in tandem with our partners from Bread for the World, to help others better understand the racist policies that created the racial wealth and income gap in the U.S. By gaining an understanding about how wealth and income were strategically stripped from Black families and families of color and funneled to white families, we will also understand how policies created this problem and how smart, inclusive policies can fix it.

This is the Facilitator's Guide to NETWORK's Racial Wealth and Income Gap Experience. **We ask that you read through and understand the history and nuance of the workshop before you present to your community, workplace, or classroom.** The most important aspects that we stress are ensuring your language is inclusive and non-judgmental and you are conscious of the social elements at play in this workshop. Please be sensitive to these dynamics.

To be a facilitator of the Experience you need not be a policy expert. That is why we provide the policy explanations and source information.

We do ask that as the facilitator you are careful and cognizant of the weight of this workshop when you are presenting. There may be people of color in your audience who might have a direct connection to this through a family story or their own story, and it is pertinent that as you facilitate this workshop you recognize the humanity of that person and all of the people of color who have been impacted by these policies as well as all the things they have needed to do to survive. The best case scenario is that you are presenting this workshop to your community or to people that you have established a relationship or rapport with.

As always if you have any questions, comments, or concerns that aren't addressed feel free to reach out to us here at NETWORK at info@networklobby.org.

About NETWORK

The Policies We Work On

Federal policies enacted since 1980 have exacerbated vast economic and social divides in our country. These divides are eroding the very fabric of our society. Enlivened by Pope Francis's challenge, NETWORK renews its more than 40-year commitment to create an economy and society of inclusion.

Mending the Wealth and Income Gap

Three sets of policies can help mend the U.S. wealth and income gap:

Tax Justice: Tax policy changes are made to reduce the income gap, especially the racial, ethnic and gender wealth gaps. Examples of success: The Earned Income Tax Credit and the Child Tax Credit are expanded. Tax reform closes loopholes so corporations and the wealthy pay their fair share.

Living Wages: National legislation moves from adjusting a minimum wage to creating a living wage. Examples of success: Significant minimum wage increases are enacted federally and indexed for cost of living. Living wages are calculated and implemented.

Family-Friendly Workplaces: The needs of women and families are integrated into federal workplace policies. Example of success: Legislation advances pro-family policies, such as paid leave, and paycheck fairness for women.

Mending the Access Gaps

Economic disparity has created perilous gaps in access to four key areas that burden daily lives and livelihoods:

Access to Democracy: No individual or community of color is disenfranchised by federal policy. Examples of success: The Voting Rights Act is fully restored and strengthened. The census is fully funded and responsibly executed resulting in congressional districts that are fairly and accurately drawn.

Access to Healthcare: Racial and economic disparities in healthcare are eliminated. Examples of success: The Affordable Care Act is fully funded, implemented, and expanded. Quality affordable healthcare is accessible to all.

Access to Citizenship: Immigrants are welcomed into the country. Examples of success: A clear pathway to citizenship for undocumented immigrants is created. A 21st-century immigration policy is enacted that repairs the current outdated law.

Access to Housing: Everyone has access to safe, affordable housing. Examples of success: The National Housing Trust Fund is fully funded and housing vouchers fully restored and expanded. The U.S. enacts a just and inclusive federal housing policy.

Our Mission

NETWORK, a Catholic leader in the global movement for justice and peace, educates, organizes and lobbies for economic and social transformation.

Who We Are

Founded by Catholic sisters in the progressive spirit of Vatican II, NETWORK works to create a society that promotes justice and the dignity of all in the shared abundance of God's creation.

Inspired by our founders and the leadership of the women who followed, we faithfully embody Gospel justice as we ignite hope in the world. We are rooted in Catholic Social Justice and are open to all who share our passion.

As an organization founded by Catholic Sisters and open to all who share our passion, we proclaim the following:

- We value women's leadership.
- We accept and appreciate people from religious as well as secular backgrounds.
- We welcome and affirm members of the LGBTQ+ community.
- We engage in the ongoing work to become a multicultural anti-racist organization.

Racial Justice Definitions Used by NETWORK Staff

These are the terms and definitions that NETWORK uses when discussing racial justice.

race: an arbitrary socio-biological category created by Europeans (white men) in the 15th century and used to assign human worth and social status with themselves as the model of humanity, with the purpose of establishing white skin access to sources of power. (Maulana Karenga)

prejudice: the favorable or unfavorable opinion or feeling about a person or group, usually formed without knowledge, thought, or reason. It can be based on a single experience, which is then transferred to or assumed about all potential experiences.¹

power: the legitimate control of, or access to, institutions sanctioned by the state; the capacity to act.

racism: race prejudice + institutional power (=misuse of institutional, systemic, and social power).²

white supremacy: the ideology of racial hierarchy born out of historical European domination, that drives the system of white superiority, power, and control in our country. This ideology is often unconscious and impacts class and social status for whites and non-whites.³

white privilege: the product of white supremacy that confers unearned societal benefits – tangible and intangible – on white people because of the color of their skin.

oppression: systematic marginalization and domination of the psychological, emotional, and/or physical nature of a person or group by a person or group.

institutional oppression: the systematic mistreatment of people within a social identity group, supported and enforced by the society and its institutions, solely based on the person's membership in the social identity group.

identity: belonging to or relating to the experience(s), tradition(s) of a single or multiple communities.

intersectionality: the belief that our multiple identities must be recognized to understand our experiences with systems of power, privilege, and oppression.⁴

1. <http://www.pcc.edu/resources/illumination/documents/institutionalized-oppression-definitions.pdf>

2. http://www.euroamerican.org/Library/Resources/Occupy/White_Priv_Terms_Resources.pdf

3. Developed by NETWORK staff based on multiple sources.

4. http://lgbtq.unc.edu/sites/lgbtq.unc.edu/files/documents/intersectionality_en.pdf

Why NETWORK capitalizes the B in Black and keeps the w in white lowercase: We believe that the way we use language has power. While there are many discussions over the proper capitalization (or not) of Black and white, NETWORK has decided to capitalize the B and keep the w lowercase. In doing so, we are making an intentional decision to place power and importance on a community that is often undervalued in our society. [Read more about this decision.](#)

NETWORK Racial Justice Shared Agreements

NETWORK has been committed to social and economic justice since its founding in 1972. Over the last few years, our community has become more intentional about our commitment to racial justice and becoming a fully anti-racist multi-cultural organization. This has prompted us to be more reflective and more focused on exposing the white supremacy within our culture and our political system. Through this intentional internal and external work, we have established these shared agreements as a baseline for conversation and reflection.

Shared agreements are a set of rules that exist in a space. We like to use these rules to ensure that the discussion can be productive and healthy. A lot of times things can be misunderstood or miscommunicated during discussions, especially with topics as sensitive as race and racial justice. So at NETWORK, in order to guide the conversation, we establish shared agreements for the present space and ask for everyone to agree before starting the conversation. These principles apply to this Experience and may be helpful in other conversations you may have in your community around race and racial justice so feel free to use them. The shared agreements are present in the PowerPoint and in the script in the latter part of this guide.

Speak up/Make space

This is a different iteration of what some people call “step up/step back” that is more mindful of physical ability (that not everyone can or will step). It exists to dismiss the idea that “moving back” is what people need to do. Speak up/Make space means that those of us who are quiet should speak up more. Those of us who speak a lot and take up a lot of space can “lead” by watching our time and making space for other voices.

We are each experts on our own experiences

We can only speak to our own lived experiences and nobody can invalidate the things that we have seen, heard, smelled, or touched. Be sure that we are only speaking as ourselves and not speaking for someone else or their intentions.

Example: “When this happened I felt this way.”

Respect confidentiality/Continue the conversation

This does NOT mean “what happens in this room stays in this room”. It simply means we should process and continue the conversation while respecting people’s vulnerability in the moment.

Whether or not it has been named, the personal manifestations of power are present

White supremacy and racism are embedded within every institution within the United States. This means that every person is living within that social context, which bestows an amount of privilege or disadvantage on each person in the room depending on their identities. Recognize your identity and the identity of others as you move through this Experience.

Embrace and express discomfort

Lean into the discomfort of this Experience and interrogate those feelings internally and externally.

Practice self-care

This activity can be very taxing emotionally. While we wish for everyone to lean into their discomfort in order to learn, we recognize that for some individuals this can bring up trauma, and no one can learn when they are feeling traumatized. If necessary, feel free to take a break away from the activity to collect yourself.

Resolution will not happen today

We’re not going to solve racism today with this tool, and that’s okay.

Purpose and Learning Goals of NETWORK's Racial Wealth and Income Gap Experience

The median wealth gap between Black families and white families in the United States is ever expanding. As of 2016, white families have 10 times the wealth of Black families, and that's a conservative estimate.⁵ This massive difference in wealth is not accidental, but instead due to years of racist policies and intentional disinvestment from the Black community. These policies and practices have created what we now recognize as the racial wealth and income gap.

NETWORK's Racial Wealth and Income Gap Experience

The Racial Wealth and Income Gap Experience is a workshop that involves a group interactive session followed by discussion. This interactive session teaches participants 12 key federal policies and practices implemented throughout United States history, beginning in the late 1800s, that led to the intentional divestment of the Black community and provided the institutional structure for what many see today as white privilege.

This experience dispels the claims of U.S. meritocracy and the "pull yourself up by your bootstraps" and "American Dream" narratives. The Racial Wealth and Income Gap Experience invites dialogue and discussion, while at the same time providing up to date facts and figures about how our nation's policies contribute to the ever expanding wealth gap between Black and white households in the United States.

5. Hanks, A., Solomon, D., & Weller, C. E. (2018, February 21). Systematic Inequality. Retrieved July 9, 2018, from <https://www.americanprogress.org/issues/race/reports/2018/02/21/447051/systematic-inequality/#fn-447051-9>

Learning Goals

- Educate the audience on the racial wealth and income gap in the United States
- Detail the history of racist federal policies that have created and exacerbated the racial wealth gap
- Invalidate racist messages about the choices and character of people of color
- Illuminate the political manifestations of white supremacy and privilege.
- Display how seemingly benign policies can have hidden and horrific repercussions in people's lives
- Impress the need for an intentional anti-racist lens for our policymakers and policies

Best Practices

- This workshop is best done in 90 minutes with the presentation to allow for fully fleshing out the post-exercise discussion
- Activity is best done in an open room with tables and a projection system if using the PowerPoint
- When possible have two presenters to share the workload and help with audience explanations and discussions

Before You Start: A Facilitator Reflection

At NETWORK, we recognize that there are a variety of experiences that make up who we are as individuals, and these experiences are often tied to our racial backgrounds. Recognizing this, as well as the weight of this activity, we encourage facilitators to take the time to reflect on the following questions before presenting:

1. What's my racial identity? How do others identify me?
2. What privileges or disadvantages result from how I identify or how others may identify me?
3. What type of social power am I bringing into the room as both my identity and as the facilitator of the workshop?
4. What racialized messaging have I been exposed to throughout my life? How have I accepted/internalized those messages?
5. What is the racial make-up of the audience that I will be presenting this workshop to?
6. What are some of the racialized messages that they also may have internalized up to this point in their lives?
7. Taking all of this into consideration, what are steps I can take to curb some of that messaging in this presentation?
 - a. How can I monitor my language as to not denigrate someone's experience?
 - b. How can I be firm and push some to confront their biases?
 - c. How can I be cognizant of people of color in the audience and how they may be experiencing this workshop?

It is essential that facilitators reflect on these questions to ensure that they are aware of all the factors that are at play when presenting this race-based workshop. Be sure to truthfully and honestly interrogate yourself in this reflection. If you need more resources feel free to check our website www.networkadvocates.org/rwig.

Explanation of the Racial Wealth and Income Gap Activity

This portion of the Experience is the interactive activity. This activity is to help give context and a visual to the racial wealth and income gap. The activity works best in tandem with the PowerPoint presentation, and should ALWAYS be done with the shared agreements and debrief/discussion questions.

Attached to the end of this Guide are the materials you will need to download, print, and cut out for the Racial Wealth and Income Gap Experience. The Experience is done in groups of four. The 40-pages contain enough cut-able cards for two groups of four to participate.

If you have more than eight people, please print out additional pages for every additional two groups you have. For example, if you have 24 participants (six groups) you will need to print off three packets to cut out, etc. If you do not have an exact multiple of 4 or 8, the activity allows for flexibility in that two participants can share one "identity" card.

When you print out the materials, you are printing the following:

- A. 1 page of "Identity" Cards to cut out (4 "Black" and 4 "White" Cards)
- B. 7 pages of "Money" Cards to cut out (96 total)
- C. 6 pages of "Land" Cards to cut out (72 total)
- D. 10 pages of "Lost Opportunity" Cards to cut out (138 total)
- E. 16 pages of Policy Cards to cut out (two sets of 12 policies, "cover" and discussion questions)

Cut out all of the cards individually. Divide everything in half to create your two complete sets. Paperclip (or rubber band) each card type together. Put one bundle of each type of cards into an envelope, so that each envelope can be given to a group of four.

Your goal is to have one envelope per group of four people that contains:

- 4 "Identity" Cards (2 Black and 2 White)
- 45 "Money" Cards
- 35 "Land" Cards
- 65 "Lost Opportunity" Cards
- 1 Set of all 12 Policy Cards with "cover" and discussion questions (14 cards total)

Before the activity: Please cut out each of the cards individually within the sheets. Paperclip the materials together in their corresponding set. Put each kit of materials into an envelope, so that each envelope can be given to a group of 4.

Activity Instructions

Each team should have four participants. Participants will randomly select their racial "Identity" cards resulting in two people receiving a "White participant" card and two people receiving "Black participant" cards.

There are three action cards ("Money", "Land", and "Lost Opportunity"). For each session place the "Money", "Land", and "Lost Opportunity" cards in the middle of the table around the pile of policy cards, so everyone can reach them.

Each participant takes turns picking up a policy card, reading the card to the group, and then reading the action corresponding to that card. Each round will result in participants gaining or losing one or all three of the action cards. Once the policy card has been read, pause to allow each participant to gain or lose corresponding cards.

At the end of the Experience, count how many Money, Land, and Lost Opportunity cards each participant has, and then use the discussion questions to engage in dialogue about the Experience.

After the Activity: Once everyone is finished, ask people to put the cards back into their respective piles and package them back up as they were, and come back to the large group for discussion. Begin the debrief portion of the activity.

The keys to debriefing are to allow people time and space to speak on their experience, don't be afraid of silence, and don't feel the need to stick to the script or the list of questions we have given.

The best debriefs come when you can have a conversation with the audience, so build questions off their comments, and ask them to talk a little bit more about why they felt things. The best debriefs are when audience members can come to conclusions themselves, you're not there to be a teacher.

Explanation continued on page 9

Racial Wealth Gap Experience Debrief

1. What are your overall impressions of this experience?
Please state which identity card you had.
2. Were you surprised by the impact or outcome of any of the policies?
3. How does the impact of past federal policies affect our nation today?
4. How did the G.I. Bill implicitly bias white people over People of Color?
5. How do modern policies reflect similar discrimination?
6. How has American Chattel Slavery impacted the modern racial wealth gap?
7. How did the white participants' differing wealth after slavery impact the overall outcome?
8. How does this experience portray white privilege? How does this experience portray white supremacy?
9. After this experience, how do you see the racial wealth gap reflected in your neighborhood? Your community? This country?
10. What steps can be taken to dismantle the system and close the gap?

Guidelines to Debrief and Evaluate a Meeting

Every presentation, workshop, and event should be evaluated, as it is through evaluation that we learn from our experiences and grow. Evaluation fosters a culture of honesty, accountability, and community. Remember: if the debrief doesn't happen in the room with everyone present, it happens in the parking lot!

The person leading the evaluation should not be the facilitator. There are three parts to an evaluation:

- **Feelings:** Ask each person in the room to say one word that best describes how they feel about the meeting or event. The words should be specific—excited, nervous, angry, disappointed, energized, overwhelmed, etc.—“good” or “okay” don't tell us much! The person leading the evaluation should go back and ask a few people to “unpack” or explain their feeling (“Tell me why you said _____.”) Don't shy away from asking about negative feelings; it's especially important for a person who's frustrated or discouraged to share that with the whole group. **However, this is not a place to “fix” people's feelings, or even comment on them.** If there's a person who didn't speak during the meeting, asking them to unpack their word could be a good way to hear from them. *It should be noted that for this Experience this does not apply to people of color because of the sensitivity of the subject. If a person of color volunteers their thoughts and feelings that is fine, but it should not be impressed on them to share. Especially in a mostly white crowd.*
- **Tension:** Tension is a word that carries many negative connotations, but if we think about tension as something that causes us to stretch, then we can recognize tension as something that also causes us to grow and continue moving forward in our work as justice seekers. Certainly tension can happen when there is a disagreement, but tension can also be created when the group or an individual commits to a new and challenging action, or when members of the group are vulnerable and take risks.
- **Political education:** The person leading the evaluation should end the debrief with a short, pointed statement about the political lesson of the meeting. This statement should not try and neatly wrap up the issue or “solve the problem,” but be a summary of what we as a group uncovered or learned during our discussion and acknowledge our feelings about the work itself.

Racial Wealth and Income Gap PowerPoint Presentation

The following are suggested talking points for each slide in the PowerPoint presentation. The *italicized parts act as an overview of editors notes* while the bullet points are supportive facts and talking points to address when presenting. Don't feel pressure to stick completely to the script as the activity is best when it has personal flair to it and can be connected to your community.

Introduction

Slides 1-3: *Introduction of RWIG: The Racial Wealth and Income Gap was a workshop created in conjunction with Bread for the World in order to demonstrate how the current wealth gap is a product of intentional federal policies.*

- NETWORK is an organization that educates, organizes, and lobbies for economic and social transformation, and we are committed to doing the work of racial justice.
- The purpose of this workshop is to discuss basic information on income, wealth inequality, and the racial wealth gap, and understand the creation and perpetuation of the racial wealth gap.

Slide 4: NETWORK's Racial Justice Shared Agreements

NETWORK's Racial Justice Shared Agreements

- ☀ Speak up/make space
- ☀ We are each experts on our own experiences
- ☀ Respect confidentiality/continue the conversation
- ☀ Whether or not it has been named, the personal manifestations of power are present
- ☀ Practice self-care
- ☀ Embrace and express discomfort
- ☀ Resolution will not happen today
- ☀ Make space for evaluation of progress and tension



The Shared Agreements are an important part of the presentation as they set the tone for the room and impending conversation. People may have visceral reactions to the activity and establishing the shared agreements for the conversation can help to assuage potential conflicts. Be sure to read each one carefully, and maybe throw in a relatable anecdote. Ask if there are any additional agreements people would like to add, and then ask the entire group for a verbal or visual acceptance (thumbs up).

You can find additional explanation for each of the shared agreements on page 6 of the Facilitator's Guide.

Slide 5: Wealth vs. Income

Wealth vs. Income

BASIS FOR COMPARISON	INCOME	WEALTH
MEANING	Money received or earned on a continuous basis, as a return for work or investments.	Money or valuable possession accumulated by a person during the course of his life.
WHAT IS IT?	Flow of money	Stock of assets
ACQUISITION	Income is generated immediately.	Wealth is created over time.
EXAMPLES	Wages/salaries from jobs, interest from savings, etc.	Stocks, bonds, ownership of property, fine art

*Income is a stream that helps in the creation of wealth
 Wealth is what you have minus what you owe*

What is the difference between wealth and income? Ask the crowd if they know the difference or have any examples. Click the mouse to show the chart and then a second click for the words at the bottom of the slide "Income is a stream that helps in the creation of wealth. Wealth is what you have minus what you owe".

An Explanation of Wealth

What It Is:

- In the business world, **wealth** is a measure of financial resources.

How It Works (example):

- Wealth is usually a measure of **net worth**; that is, it is a measure of how much a person has in **savings, investments, real estate and cash**, less any **debts**.
- If I get paid \$100,000, but have \$125,000 in bills then I would be in debt.
- If I get paid \$100,000 a year, but my bills are \$80,000 and I set aside my remaining \$20,000 that would become my wealth.

Why It Matters:

Wealth is something that is passed down generation to generation to help allowing for more stability and security. A person with riches that does not have anything to pass on to the next generation because of debts is not wealthy.

Racial Wealth Gap Activity

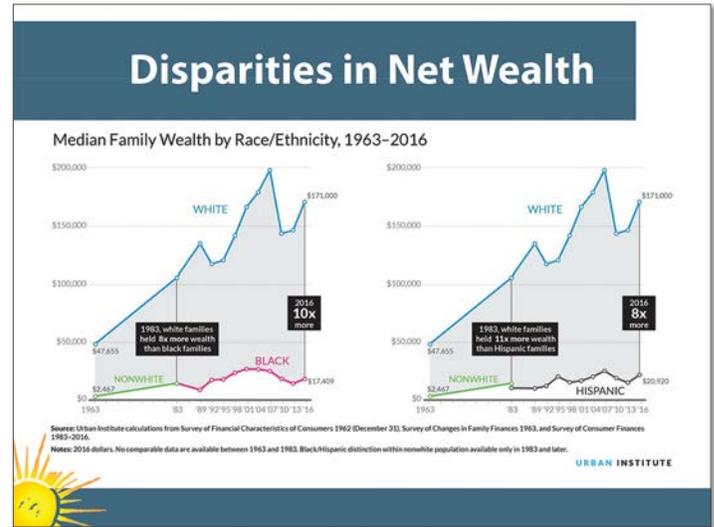
Slides 6-7: Repeat the instructions on the slide, clearly and slowly. Ensure that all present parties understand the instructions and rules of the activity.

At this point in the presentation, people should be participating in the activity, and while they are doing that go to the next slide to display the Shared Agreements again. The activity should take 20–25 minutes. Some groups may finish earlier than others in which case there are discussion questions in each table set that should keep them occupied until all are done.

Once everyone is finished, ask people to put the cards back into their respective piles, package them back up as they were, and come back to the large group for discussion. Ensure that the Shared Agreements are up on the screen and remind the group of them as you begin the debrief portion of the activity.

Racial Wealth Gap and Housing

Slide 8: Disparities in Net Wealth



This is a chart showing the disparities in median net wealth over the past 50 years. Things to note are the physical size of the gap in the pictures, how the census didn't differentiate "non-whites" until 1983, and — probably most importantly — that this chart is showing median and not average.

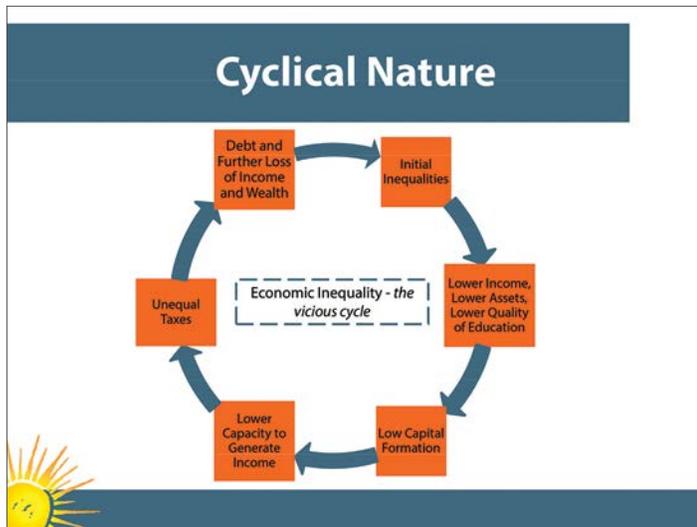
- Define median: the wealth of the middlemost white, Black, and Hispanic families.
- Median is different than average because it doesn't account for outliers that could skew a chart, such as *the Bill Gates and the LeBron James's of the world.*

Racial Wealth Gap Experience Debrief

1. What are your overall impressions of this experience? *Please state which race card you had.*
2. Were you surprised by the impact or outcome of any of the policies?
3. How does the impact of past federal policies affect our nation today?
4. How did the G.I. Bill implicitly bias white people over People of Color?
5. How do modern policies reflect similar discrimination?
6. How has American Chattel Slavery impacted the modern racial wealth gap?
7. How did the white participants' differing wealth after slavery impact the overall outcome?
8. How does this experience portray white privilege? How does this experience portray white supremacy?
9. After this experience, how do you see the racial wealth gap reflected in your neighborhood? Your community? This country?
10. What steps can be taken to dismantle the system and close the gap?

The key to debriefing the activity is to allow people time and space to speak on their experience, don't be afraid of silence, and don't feel the need to stick to the script or the list of questions we have given. The best debriefs come when you can have a conversation with the audience, so build questions off their comments, and ask them to talk a little bit more about why they felt things. The best debriefs are when audience members can come to conclusions themselves, you're not there to be a teacher.

Slide 9: Cyclical Nature



The cyclical nature is best understood as the way that wealth is passed down as is lost opportunity. It is best to point out how lost opportunity continues to compound on top of itself generation after generation similar to what was just experienced within the activity.

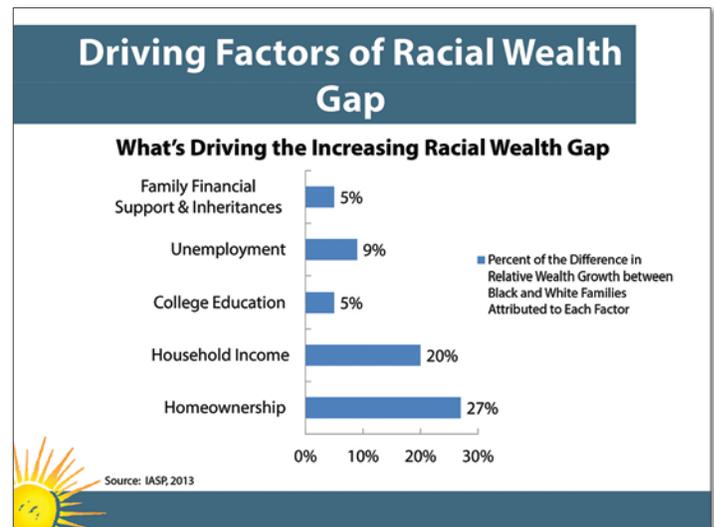
- The initial inequality can come from being born to a poor family in a community of color where there is limited access to things people need to survive. *It is best to explain within the context of the activity how lost opportunity compounds upon itself.*
- Low capital formation is essentially a household living paycheck to paycheck and not being able to save and set aside money.

Slide 10: *The Wagner Act promoted collective bargaining as a statutory right. However these statutes enabled unions to negotiate contracts that discriminated against African Americans and barred them access to job promotion and union benefits.*

- Many unions, including the Brotherhood of the Railroad Firemen and the Brotherhood of Railway Trainmen participated in strikes for a whites-only hiring policy.
- The U.S. government also intervened at points in the labor market at the request of unions.
- The director of operations for the US Railroad Administration issued a directive that Blacks should not be employed as conductors, flagmen, or baggage men, thus relegating Blacks to low-wage jobs with no chance of job advancement.

Slide 11: *What is the largest driver of the racial wealth and income gap? The answer is housing and when you give this slide a second click the arrow should show up pointing at Letter B. For the sake of audience participation ask for a show of hands on whichever answer they think it might be before actually showing the answer.*

Slide 12: Driving Factors of Racial Wealth Gap



This slide is just a reference point for the previous quiz. Point out that all of these factors play a part in the racial wealth gap as we know it, but housing is the largest factor. That is because wealth in America is largely accrued through homeownership.

Slide 13 (History of the Suburbs video): *Make sure the sound is on for this YouTube video. It is a good video that explains redlining and the building of wealth in American history and how it has been racialized. Use may depend on audience, but it is usually a good halfway break from the presentation.*

Slide 14: *This policy gave way for white families to move away from densely populated urban areas and into the suburbs. Once in the suburbs, discriminatory laws such as zoning ordinances were implemented. These ordinances prohibited non-whites from moving into predominantly white areas, therefore restricting their land and property even more. Combined with their loss of land due to construction of the highways, people of color lost a lot of wealth in this way.*

Best Practice: *If possible look up information on the building of the highway system in your specific area for a more direct correlation to your area.*

Slide 15: Housing Discrimination

Housing Discrimination

- Owning a home isn't necessarily as easy as purchasing a home or going to the bank to get a mortgage.
- Socially acceptable racism through the 1960s allowed homeowners associations to discriminate against families of color to preserve 'white-only' communities = **REDLINING**



Furthering the explanation of how housing has been key in establishing the racial wealth gap and divisive federal policies, this slide has a chart showing the different grades that were used to segregate neighborhoods.

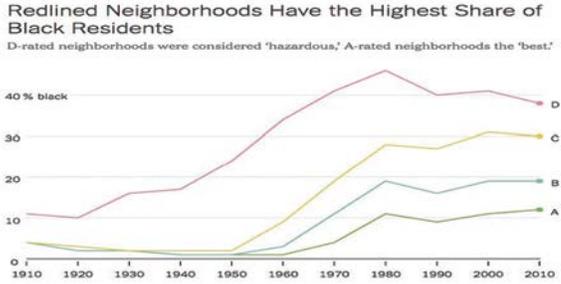
- Grade A is for all white and affluent communities and Grade D for communities predominantly of color.
- These grades determined who got home loans and how much they received. The National Housing Act of 1934 guaranteed loans to whites and legally refused loans to Blacks and anyone who chose to live near Black neighborhoods.
- This practice was known as “redlining”. If your neighborhood had black people, immigrants, old houses, or schools with a population of “inharmonious racial groups” it was officially deemed a financial risk so it was likely to be redlined.
- Residents in redlined neighborhoods found it difficult to obtain mortgages, and if they did, those mortgages were usually much more expensive than the ones offered to residents in non-redlined neighborhood – channeling folks into debt.

Slide 16: This is a zoning map of the Brooklyn community in 1938. Brooklyn was an area where a lot of people of color and immigrants settled – so it should not be a surprise that the bulk of this map is in red and yellow. There are only two very small areas in green. Redlining has created a lasting impact on one’s ability to become a homeowner and in the communities that were previously redlined.

Slide 17: Lasting Impact of Redlining

Lasting Impact of Redlining and Discriminatory Housing

Redlined Neighborhoods Have the Highest Share of Black Residents
D-rated neighborhoods were considered 'hazardous,' A-rated neighborhoods the 'best.'



Data from 149 cities mapped by the Home Owners' Loan Corporation in the 1930s.
Source: "The Effects of the 1930s HOLC "Redlining" Maps" by D. Aaronson, D. Hartley, B. Mazumder.

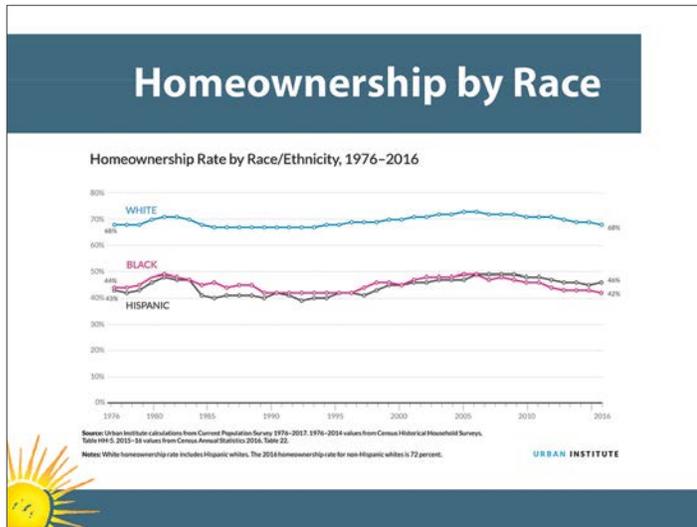
The lasting impacts of redlining on the US landscape are portrayed in these two slides. In the first slide it is a graph showing the percentage of Black residents in a neighborhood that was once redlined.

- As you can see that the A neighborhoods still have the lowest percentage of Black residents whereas grade D neighborhoods still have the highest proportions.
- This is showing the consolidation of wealth in specific neighborhoods and how Black residents didn't have the opportunity to obtain it.

Slide 18: The next slide is just a list of the compounding effects of redlining and forcing people of color to live in neighborhoods of concentrated poverty. You can simply read down the list and if you have an example or two feel free to share them. Be sure to use careful and conscious language when explaining some of the effects to prevent stereotyping, or placing value statements on people’s livelihoods.

Specifically when it comes to non-traditional sources of income, some say “crimes of survival” I personally like the quote “Is there a way for me to change? Or am I just a victim of things I did to maintain?” —TUPAC SHAKUR

Slide 19: Homeownership by Race



This chart is the homeownership rate by race/ethnicity, and it shows how the rate has barely changed over the last 40 years.

- This chart shows that no matter how much progress many feel has been made the racial wealth gap has only grown.
- It is in large part because people of color, specifically Black and LatinX, are being barred from homeownership and thus being barred from building wealth.

It is helpful to not only point out the static lines on the chart, but also the sizable gap itself which can be representative of the racial wealth and income gap.

Closing Slides

Slides 20-21: *These are NETWORK's Mend the Gap strategies and each one of these strategies, along with a focus on racial justice, can help to mend and close the racial wealth and income gap.*

Slide 22: *Restate the purpose of the activity and recap any things that stuck out to you during this presentation whether it be your own observations or something that came up in discussion.*

Slides 23-24: *These are the closing slides with sources and information. Open it up to final questions and close out the presentation.*

Conclusion: Next Steps

Thank you for taking the time to read and understand NETWORK's Racial Wealth and Income Gap. We hope that you take this to your community and continue to educate others on how our collective history informs our present. Please feel free to share these materials and our website with others: www.networkadvocates.org/rwig.

Appendices

Policy Explanations

Racial Wealth and Income Gap Policy Handout

Policy Explanations

Policy 1: Slave Codes, the Fugitive Slave Acts, and American Chattel Slavery (1619–1860)

The first slaves were brought onto American soil in 1619 through the Trans-Atlantic Slave Trade. Chattel slavery was a race-based system of human bondage with distinct nuances not seen before in human history. Chattel slavery was one of the original US institutions and it enslaved generations of Black families, and reinforced itself through the Slave Codes and the Fugitive Slave Acts, which ensured that white plantation owners were able to benefit off the labor of Black bodies.

The Slave Codes were a set of rules established for social control of slaves by their masters. Slave Codes established that offspring of an enslaved mother would also be enslaved, it established a color line that classified any persons with any amount of African heritage as Black, and it also established a set of rules that essentially said that slaves and other free Blacks could not physically attack a white person—even in self-defense. The Slave Codes evolved from state to state and situation by situation to impose social control on Black slaves and free persons.

The Fugitive Slave Acts were a pair of federal laws that allowed for the capture and return of runaway slaves and deterred slaves from being able to cross over into Canada for freedom. These laws empowered local governments and authorities to capture slaves and punish those who aided in their protection.

How does this policy relate to the racial income and wealth gaps?

Slavery was an institution that was founded before the founding of the United States and was pertinent in its formation of the nation that we see today. As many have stated before, this nation was built on the backs of slaves who never received any payment or re-payment for their labor. Enslavement of Black families for several generations over 250+ years was the originator of the racial wealth divide.

Where can I get more information and sources?

1. Bourne, Jenny. "Slavery in the United States". EH.Net Encyclopedia, edited by Robert Whaples. March 26, 2008. <http://eh.net/encyclopedia/slavery-in-the-united-states/>
2. Britannica, The Editors of Encyclopaedia. "Slave Code." Encyclopædia Britannica, Encyclopædia Britannica, Inc., 9 Apr. 2018, www.britannica.com/topic/slave-code.
3. History.com Staff. "Fugitive Slave Acts." History.com, A&E Television Networks, 2009, www.history.com/topics/black-history/fugitive-slave-acts.

Policy 2: Andrew Johnson's Land Policies and Sharecropping (1865–1880)

After the Civil War, only 30,000 African Americans owned small plots of land, compared to the 4 million African Americans that did not own land. This was due to the 1865 federal policy rescinding the promise of 40 acres of land for slaves. At the same time, the southern economy was in disarray due to the devastation of the Civil War and the abolishment of slavery. Consequently, conflict arose between many white landowners attempting to reestablish a labor force and freed Black people seeking economic independence and autonomy.

Because of Johnson's land policies denying recently freed slaves the initial promise of 40 acres, these 4 million African Americans largely resorted to renting the farm land of their previous master in exchange for a "share" of their crop. The absence of an independent credit system to "pay" white landowners to rent their land and to "pay" Black farmers for their labor led to the creation of a system called "sharecropping."

Sharecropping is a system where the landlords/planters allow tenants to use the land in exchange for a share of the crop. The farmers, in this case Black families, were unable to access alternative sources of credit to acquire needed supplies and, thus, the farmers were forced to use their future crops as collateral to finance the loan, which bound them to the merchant and restricted their options to buy elsewhere or dispose of their crops in the most advantageous manner. Due to their need to pay back the loan, the farmers focused on growing a cash crop such as cotton, to the neglect of food production, thus forcing the farmers to borrow even more money from the merchant as to feed themselves and their families. This created a cycle where the farmers were constantly behind in paying their debt. It also didn't help that the farmers were charged exorbitant credit prices to purchase food, reflecting the local merchants' exploitative powers as the sole source of rural credit. Thus, the farmers stayed in perpetual debt, and slavery perpetuated itself. While not a physical slavery, sharecropping was an economic bondage that held African Americans to their former masters' land.

How does this policy relate to the racial wealth and income gap?

Rescinding the 40 acre promise to recently freed slaves prevented them from becoming fully independent from their former masters post-slavery. So in actuality, while they were legally free, the recently freed slaves were prevented from becoming financially free. If the 4 million African Americans who were forced into sharecropping actually owned their land, they would have been in a position to start earning an income and then eventually be able to build wealth. However, sharecropping forced them into a system of perpetual debt—making it nearly impossible to earn an income, let alone feed their families. Since this practice took place over the course of 3 generations, it is understandable why Black families were more likely to live below the poverty line, experience hunger, and were less able to accumulate wealth compared to their white counterparts. All of these factors widened what we know as the racial income and wealth gap.

Where can I get more information and sources?

1. Douglas-Bowers, Devon. "Debt Slavery: The Forgotten History of Sharecropping." Hampton Institute (2013).
2. History Channel. "Sharecropping." *History.com*. A E Networks, 2010. <http://www.history.com/topics/black-history/sharecropping>
3. O'Brien Wagner, Nancy. "Slavery by Another Name: History Background." PBS. Twin Cities Public Television, Inc, 2012.
4. Ransom, Roger L., and Richard Sutch. "Debt Peonage in the Cotton South After the Civil War." *The Journal of Economic History* 32.03 (1972): 641-69.

Policy 3: Land Seizures (1865–1960s)

Black families were legally at risk of having their land seized from 1865 until the 1960's. From 1870-1910, over 1 million Black families gained access to land and farmed. While this was still a small percentage within the Black community, it was definitely a start. In fact, this first generation of Black landowners enjoyed the stability and longevity of residence.

Since the early 1900's, however, there has been a severe decline in farm ownership by Black people. While the system of sharecropping was beneficial for some Black families, the overall labor system was oppressive in nature and was designed to keep Black people subservient. Black farmers who demonstrated outward signs of prosperity or independence were subject to some form of informal social "correction." Different forms of social correction included: beatings, killings, destroying of well-kept black homes, stealing money, and confiscating property from Black families.

White landowners could arbitrarily declare that Black farmers or business owners were in debt at any time, which could result in Black families losing their land. Black people often could not fight these charges since they were legally unable to fight against white people in court. Properties taken from Black families were often small—a 40-acre farm, a general store, a modest house—but the losses were devastating to families struggling to overcome the legacy of slavery and sharecropping. In the agrarian South, landownership was the ladder to respect and prosperity—the means to building economic security and passing wealth on to the next generation. When Black families lost their land, they lost all of this.

More recently, Black farmers have faced the effects of aggressive globalization, changes in technology, racist lending policies, corporate farm buyouts and changes in the policies by the U.S. Department of Agriculture. In 1920, Black farmers made up ap-

proximately 14% of all farmers in the United States, and owned a combined 15 million acres of land. Black farmers today now account for less than 1% of the nation's farmers.

How does this policy relate to the racial wealth and income gap?

Seizing land owned by Black families for arbitrary reasons, including "social correction," prevented them from holding onto their main source for wealth creation—land. Taking land away prevented them from earning an income, or passing their wealth—in this case, land—onto the next generation. Not having a wealth or income generator increased the likelihood that these families would fall into hunger. Overall, over 24,000 acres was lost as a result of land seizures. Today, this land belongs to white families or corporations who are benefiting financially from this land. The over 24,000 acres of land lost as a result of these land seizures have cost Black families tens of thousands of dollars—all money that could have gone to narrowing the racial wealth and income gap as we know it today.

Where can I get more information and sources?

1. Christian, Colmore, et al. *African-American Land Loss and Sustainable Forestry in the Southeast: An Analysis of the Issues, Opportunities, and Gaps*. Vol. 51. Ser. 6. Journal of Extension. Extension Journal, Inc, 2013.
2. Viscount Nelson, H., Jr. *Sharecropping, Ghetto, Slum A History of Impoverished Blacks in Twentieth-century America*. N.p.: Xlibris Corp, 2015.
3. Zabawa, Robert. "The Black farmer and land in south-central Alabama: Strategies to preserve a scarce resource." *Human Ecology* 19.1 (1991): 61-81.

Policy 4: The National Housing Act of 1934, Part 1

The Federal Housing Administration (FHA) is a government agency that was established by the National Housing Act of 1934 to regulate interest rates and mortgage terms after the banking crisis of the 1930s. Through the newly created FHA, the federal government began to insure mortgages issued by qualified lenders, providing mortgage lenders protection from default. To "assist" with lending decisions, the Federal Housing Authority prepared "neighborhood security maps" that were based largely on the racial, ethnic, and economic status of residents. This ranking system assessed risk based on the racial

composition of the community, with English, Germans, Scotch, Irish, Scandinavians ranked at the top of the list and "Negroes" and "Mexicans" ranked at the bottom of the list. Lending institutions and the federal government employed underwriting guidelines that favored racially white, homogenous neighborhoods and led to the creation of a separate and unequal lending and financial system.

Because federally-backed mortgages were rarely available to residents of "transitional," racially mixed, or minority neighborhoods, lenders began "redlining" those neighborhoods, circling on a map

the areas where people of color lived to denote that mortgage lending would not be available. “Redlining” is the practice of denying a creditworthy applicant a loan for housing in a certain neighborhoods, even though the applicant may otherwise be eligible for the loan. Lenders redlined entire Black neighborhoods and identified them as “Grade D”—making it nearly impossible for appraisers in the private sector to do business in these areas because they were considered “bad credit risks.”

Preventing Black families from owning homes and discouraging lending in their neighborhoods for nearly 4 generations created the concentrated areas of poverty that we see today. Without the economic stability of home ownership, these same neighborhoods struggled to build equity and community wealth.

How does this policy relate to the racial wealth and income gap?

Being able to become a home/land owner is the cornerstone of American wealth-building; denying that opportunity to Black people resulted in them losing the opportunity to create

wealth. It also resulted in the creation of areas of concentrated poverty, since these areas were legally prevented from gaining equity. Concentrated poverty increases lower levels of income and countless lost opportunities to move out of poverty, all of which sustains the racial wealth divide.

Where can I get more information and sources?

1. “1934: Federal Housing Administration Created.” Fair Housing Center of Greater Boston.
2. Badger, Emily. “Why a housing scheme founded in racism is making a resurgence today.” *The Washington Post*. WP Company, 13 May 2016.
3. “Future of Fair Housing: How We Got Here.” *The Leadership Conference on Civil and Human Rights*. Dec. 2008.
4. Gotham, Kevin Fox. “Racialization and the State: The Housing Act of 1934 and the Creation of the Federal Housing Administration.” *Sociological Perspectives*, vol. 43, no. 2, 2000, pp. 291–317.

Policy 4 (cont.): The National Housing Act of 1934, Part 2

Since banks would not lend to the Black community, The National Housing Act of 1934 also resulted in “contract lending.” Contract lending is a practice where Black homeowners bought their houses on “contract” from white real estate agents, who often arbitrarily increased the price of properties two- or three-fold. Contract lending was one of the only options available for Black prospective homeowners, and between the 1930s and 1960s, contract lending was in many cities the primary means middle-class Black families could buy homes.

Under this system, African Americans were making payments to secure their chances of being able to own their home while still not receiving any equity on the home or their payments. Since mortgage payments were sometimes two or three times higher than the home’s actual value, it is conceivable that Black families had a hard time making these payments. In times when families fell behind on a month’s payment or repairs, they were swiftly evicted instead of receiving a late notice like their white counterparts. When this happened, Black families also forfeited their previous investments in their home—all was lost in that one moment. Shortly after, the real estate agents would often go on to the next Black family, charge them double or triple the value of the home, and then wait for them to fall on financial hard times and evict them. This predatory practice lasted for 2 generations and stripped wealth from Black families in the form of home equity and in the income spent on higher monthly mortgage costs.

How does this policy relate to the racial wealth and income gap?

Spending more money on mortgages left Black families with even less money to invest in education, stocks, and bonds, compared to their white counterparts who received lower mortgages on the same valued-homes. Even if Black families managed to successfully pay off their mortgage, homes own by Black people were appraised at lower values than white homes of the same statute. This practice stripped Black families from the wealth that would be passed onto the next generation, widening the racial wealth gap. Additionally, many Black families actually lost their homes because of the doubled or tripled mortgages set by white real estate agents, which also deepened the wealth gap between Black and white people that we see today.

Where can I get more information and sources?

1. Badger, Emily. “Why a housing scheme founded in racism is making a resurgence today.” *The Washington Post*. WP Company, 13 May 2016.
2. Gotham, Kevin Fox. “Racialization and the State: The Housing Act of 1934 and the Creation of the Federal Housing Administration.” *Sociological Perspectives*, vol. 43, no. 2, 2000, pp. 291–317.

Policy 5: The Wagner Act of 1935

When the Wagner Act was passed in 1935, it gave workers the right to join labor unions, organize, and use collective bargaining power with their employers. It guaranteed that workers would always have the choice in whether they wanted to join a labor union or not and never forced them to do anything against their will. It also established the National Labor Relations Board (NLRB) whose purpose was to intervene in arguments between employers and their employees, ensure democratic union elections, and discipline unfair practices in the workplace. The law is said to have caused a huge boost in union membership and significantly increased the political and economic power of labor unions.

The passage of this bill also greatly improved the working conditions for women. Women's rights movements took off as they felt more empowered and listened to in the workplace. By the end of the 1930s, women's participation in unions rose to 800,000, 3 times the number it was in 1929.

However, airline, railroad, agriculture, domestic, and government workers were excluded from this legislation. In addition, unions were allowed to exclude people of color from joining. Before the Wagner Act was implemented, many African American workers were prohibited from joining unions, and even, after its passage, conditions did not improve for workers of color. By being blocked from joining unions, workers of color were excluded from union benefits such as healthcare, retirement funds, and job security.

The Wagner Act was not originally meant to exclude workers of color. The first version was made with a provision that banned racial discrimination. However, the American Federation of Labor (AFL) campaigned against it and it was removed. Southern politicians also played a role in creating a racial divide within the bill. They worked to make sure agricultural workers from the South, many of who happened to be Black, were left out of the bill. Southern politicians voted to support labor unions in the North as long as Southern Black workers were excluded from the bill.

In the 1930s, the AFL was not only a conservative union, but it was still quite racist. In 1933, there were close to 3 million labor union members and only about 50,000 of them were Black workers. After the passage of the Wagner Act and the subsequent exclusion of Black workers, the AFL showed little if any concern in their plight.

How does this policy relate to racial wealth and income gaps?

Although the Wagner Act may have improved lives for millions of white Americans, it created a very distinct line between who was "worthy" of receiving union benefits and who was not. African American workers were already valued less than their white counterparts, and this Act only deepened that divide by making it much harder for workers of color to be able to prosper in their jobs. By taking away Black workers' right to unionize, the act effectively stripped them of any political power. The ability to unionize comes with a great deal of political authority and by giving such a power to white workers and not Black workers, it vastly skewed who had political power and who did not.

Where can I get more information and sources?

1. George Washington University, <https://www2.gwu.edu/~erpapers/teaching/glossary/national-labor-relations-act.cfm>
2. Cato Institute, <https://www.cato.org/publications/commentary/why-did-fdrs-new-deal-harm-blacks>
3. Huffington Post, https://www.huffingtonpost.com/richard-lyon/the-new-deal-and-jim-crow_b_1868672.html
4. Library of Congress, <http://www.loc.gov/teachers/classroommaterials/presentationsandactivities/presentations/timeline/depwwii/unions/>
5. National Archives, <https://www.archives.gov/publications/prologue/1997/summer/american-labor-movement.html>

Policy 6: The Social Security Act (1935 to Present Day)

In 1935, The Social Security Act was enacted to help Americans who were adversely affected by the Great Depression rebuild their wealth and their lives. This landmark legislation provided a safety net for millions of workers, guaranteeing them unemployment insurance and an income after retirement. The problems of the Great Depression affected virtually all Americans, but no one was harder hit than Black people. By 1932, approximately half of Black Americans were out of work compared with about 30% of white people. In some Northern cities, whites called for Black people to be fired from any jobs as long as there were whites out of work.

Although Black people were twice as likely to experience poverty than white people during the Great Depression, 65% of Black workers were ineligible to receive Social Security, because the legislation was designed in such a way that it excluded farmworkers and domestic workers—jobs predominantly held by Black people, as well as Asian and Mexican people—from receiving “old-age” and “unemployment” insurance.

Policy 7: The Fair Labor Standards Act of 1938

The Fair Labor Standards Act (FLSA) of 1938, a significant piece of the New Deal legislation, established a national minimum wage (25 cents an hour), maximum workweek (44 hours), and prohibited general employment of children under 16. This law was put into place to provide workers achieve economic security and bolster the economy.

However, the passage of the FLSA did not benefit all workers. As the bill traveled through the legislative process, more and more workers were excluded from coverage, starting with domestic workers, a job category primarily held by Black women. Additionally, it excluded a number of workers in tip-based workers from receiving the first minimum wage and work protections. These professions included servers, shoe shiners, and Pullman porters, which were held predominantly by Black people and other people of color.

Even though the unemployment and poverty rates for Black people were both twice the rate for white people during the Great Depression, the very policies meant to alleviate economic strain often did not impact Black families, making it harder for them to build wealth in the future.

The legacy of the FLSA would eventually serve as the impetus for the March on Washington for Jobs and Freedom of 1963, when Black workers organized and marched to express their anger over their intentional exclusion from this important workforce legislation.

How does this policy relate to the racial wealth and income gap?

Being denied retirement support in the Social Security Act of 1935 disproportionately hurt Black workers since they were already earning extraordinarily low wages and did not have the means to save part of their income for their future. This increased the poverty level of Black households in general because once older Black people could no longer work they became the responsibility of their children, who received no supplemental financial relief from the safety net program like their white counterparts did.

Where can I get more information and sources?

1. Adelman, Larry. “A Long History of Racial Preferences 1. - For Whites.” *Race - The Power of Illusion*. California Newsreel.
2. “Race During the Great Depression - American Memory Timeline- Classroom Presentation Teacher Resources.” *Library of Congress*.

How does this policy relate to the racial wealth and income gap?

Withholding workforce protections on the professions that were primarily employing Black workers stifled their ability to earn more income for a hard day’s work. Not being able to earn a minimum wage was another set back from many Black families, widening income disparity in a time when Black people were already two times as likely to experience poverty than white people. Today, we see that this trend has continued with women of color disproportionately working in the 10 lowest paid jobs in the country, many of which are excluded from the FLSA (including tipped-based jobs and domestic work), which has only further deepened the racial and gender wealth and income gap.

Where can I get more information and sources?

1. Palmer, Phyllis. “Outside the Law: Agricultural and Domestic Workers Under the Fair Labor Standards Act.” *Journal of Policy History* 7.04 (1995): 416-40.
2. Pitts, Steven, and Allegretto, Sylvia. “To Work With Dignity: The Unfinished March Toward a Decent Minimum Wage.” *Economic Policy Institute*, 2013.

Policy 8: The G.I. Bill of 1944

When veterans returned home from World War II, the G.I. Bill, also known as the Servicemen's Readjustment Act of 1944, sought to provide returning service members with many benefits. Among these benefits were low-cost mortgages, high school or vocational education, payments for tuition and living expenses for those electing to attend college, and low-interest loans for entrepreneurial veterans wanting to start a business. Though the law was deemed a political and economic success, there was one segment of service members who were denied many of the bill's benefits – Black veterans.

White service members were able to use the government guaranteed housing loans to buy homes in the fast growing suburbs. Those homes subsequently rose greatly in value in coming decades, creating vast new household wealth for white families during the postwar era. For Black service members, however, the housing provisions of the GI Bill were not as accessible. Banks generally wouldn't make loans for mortgages in Black neighborhoods, and Black families were excluded from living in the suburbs by a combination of deed covenants and informal racism.

The one big upside of the GI Bill is that it did pay for many Black veterans to go to college and graduate school. While these vet-

erans were often only able to choose among overcrowded Black colleges, the influx of subsidized Black students led many white universities to open their doors to nonwhite students, helping begin the great integration of higher education.

How does this policy relate to the racial hunger, income, and wealth gaps?

Being denied the ability to fully access the GI Bill prevented many Black service members from building wealth like so many white services members were able to do. The creation of the GI Bill largely created what we now know to be the American middle class today. The American middle class would have been much more diverse had the GI Bill and other policies (like the National Housing policy) been afforded to Black Americans as well. Unfortunately, this only widened the existing racial wealth and income divide.

Where can I get more information and sources?

1. "After the War: Blacks and GI Bill." *Smithsonian Art Museum*. 2015.
2. Callahan, David. "How the GI Bill Left Out African Americans." *Demos*. 2013.

Policy 9: The End of the Separate But Equal Doctrine (1954 to Present Day)

During the first half of the twentieth century, southern Black children attended public schools that received fewer resources per pupil than public schools attended by white children. The schools were racially "separate" but were not "equal." Because of the "separate but equal" educational policies enacted during the Jim Crow era that legally prohibited the integration of races, local officers could divert state funding from Black students to finance education for white students. As a result, they could impose a lower property tax and spend less on education. Even after legally mandated school segregation was abolished, those counties "still kept a lower tax rate," with negative effects on public school funding and, therefore, education for Black students.

While the U.S. Supreme Court struck down school segregation in *Brown v. Board of Education* over 60 years ago, students of color often still lack equal access to educational opportunities. Due to the "white flight" that happened in the 1960s and rising housing costs, schools are even more racially segregated today than they have been over the past 4 generations. Today, there is a per-student spending gap of up to \$773 throughout the nation between white students and Black students. Residential

segregation keeps Black and Latino families in school districts with low-quality, under-resourced schools, which can then impact students' graduation rates and preparedness for college.

How does this policy relate to the racial hunger, income, and wealth gaps?

Having up to a \$773 student spending difference between white and Black students decreases the material and educational support that Black students need to succeed in high school and then go to college and/or attain a good paying job. Residential segregation and the tax bases that were established to fund schools through this segregated system have had detrimental impacts on the earning power of Black people, and have increased their propensity to poverty on a cyclical basis.

Where can I get more information and sources?

1. Dayen, David. "African-Americans Are Still Being Victimized by the Mortgage Market." *New Republic*. 27 May 2014.
2. Margo, Robert. "The Impact of Separate-but-Equal." *National Bureau of Economic Research* (1990): 68-86.

- Rothstein, Richard. 2014. "The Racial Achievement Gap, Segregated Schools, and Segregated Neighborhoods – A Constitutional Insult." *Race and Social Problems* 6 (4).
- "Students of Color Still Receiving Unequal Education." Center for American Progress. August 22, 2012. <https://www.americanprogress.org/issues/education/news/2012/08/22/32862/students-of-color-still-receiving-unequal-education/>
- Fry, Richard and Jen Manuel Krogstad. "More Hispanics, blacks enrolling in college, but lag in bachelor's degree." Pew Research Center April 2014. <http://www.pewresearch.org/fact-tank/2014/04/24/more-hispanics-blacks-enrolling-in-college-but-lag-in-bachelors-degrees/>

Policy 10: Federal-Aid Highway Act of 1956

The Federal-Aid Highway Act approved the use of \$25 billion in order to create a network of interstate highways all across the United States. This allowed for greater mobility between states and opened up the possibility of moving to cities for better job opportunities. It was also a huge source of job creation. Because the bill authorized enough funding for a grid of highways all across the country, construction workers from many states were given job opportunities. Because of the increased number of highways across the country, people were more likely to buy a car since car travel became much easier. This led to more advanced automotive technology. Tourism also got a boost because of facilitated travel.

However, the Act also resulted in the divestment of Black communities. The introduction of the highways gave way for "white flight," a phenomenon that occurred when white people moved into the suburbs. This eager rush towards the suburbs was often prompted by racism and the urge to get away from their non-white neighbors and coworkers. Additionally, in order to create such a huge network of highways, many predominantly Black communities had to be destroyed. Due to the destruction of their homes, many Black families had to move into overcrowded homes in the city. During the planning of the Interstate Highway System, Black families were worried that the construction of these highways through their communities would lower property values, which caused plenty of discord.

For example, the Nashville stretch of Interstate 40 had quite a few problems starting from before construction to a year after its completion. During the planning phase, a group of 40 citizens came together in an attempt to legally stop the project since they found out it was going to go through a predominantly Black neighborhood. This battle took place in Nashville which was already the center of racial protests, especially following the death of Martin Luther King Jr. In addition, the creation of this highway separated Black-owned businesses from their clients, a problem that the surrounding Black neighborhoods picked up on. When they brought these worries in front of a judge, they were simply overruled. Within

a year of the highway's completion, it was shown that most of the businesses in the area had undergone financial troubles, with some even closing. Property rates had fallen as well.

How does this policy relate to racial wealth and income gaps?

This policy gave way for white families to move away from densely populated urban areas and into the suburbs. Once in the suburbs, discriminatory laws such as zoning ordinances were implemented. These ordinances prohibited non-whites from moving into predominantly white areas, therefore restricting their land and property even more. Combined with their loss of land due to construction of the highways, people of color lost a lot of wealth in this way. Money was also lost in the legal battles that Black communities had to fight in order to keep the highways from entering their area as well in the form of lost clients for many businesses. The combined loss of this money coincided with the rise of new automotive technology as more roads were constructed. Black families were unable to keep up with rising technology trends as they had fallen behind in income earned.

Where can I get more information and sources?

- Homestead on the Range, <https://homesteadontherange.com/2016/01/26/pros-and-cons-of-the-interstate-highway-system/>
- Data Research Center, <http://www.datacenterresearch.org/pre-katrina/tertiary/white.html>
- Metro Government of Nashville and Davidson County, Tennessee, https://www.nashville.gov/Portals/0/Site-Content/Planning/docs/trans/EveryPlaceCounts/1_Highway%20to%20Inequity.pdf
- The New York Times*, <https://www.nytimes.com/2017/08/03/opinion/sunday/zoning-laws-segregation-income.html>

Policy 11: Subprime Loans (1970s to Present Day)

Stating in the 1970's, the private sector issued subprime loans almost solely to Black families, regardless of income, good credit, or financial history. Subprime loans are loans that have higher interest rates and are generally given to people who are considered "high risk" either because of low income or bad credit.

However, this practice was continued with middle- and high-income earners, as well as people with good credit, in the Black community. As a result, Black homebuyers continue to unfairly pay more money for homes of the same value as their white counterparts—increasing the rates of foreclosure among communities of color and undermining their ability to have extra money to invest in other wealth-building assets. Issuing subprime mortgages to Black people lasted for more than 3 generations, effectively stripping income and wealth for more than 3 generations in the Black community.

One of the ways that we see Black community wealth stripped the most is when we think about the 2008 housing crisis. When the housing market eroded, 240,000 Black families lost their homes. In addition, Black families with high-incomes were 80% more likely to lose their homes than high-income white families during this time, since they were still assigned subprime loans. In this example, we see that unfairly desig-

nating subprime loans to Black families limited their ability to generate wealth through home ownership—and to pass this wealth on to the next generation.

How does this policy relate to the racial wealth and income gap?

Being confined to subprime loans meant that Black homebuyers paid a greater share of their income on their mortgage than their white counterparts, leaving them with less money for education or healthcare or to save for future wealth building. When the housing market crashed in 2008, Black families were more likely to lose sometimes their only source of wealth—their home. Losing a home meant that some families became homeless and food-insecure. Losing a home also meant that families that would have had something to pass along to the next generation were now wealth-deprived, widening the racial wealth gap even more.

Where can I get more information and sources?

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2. Williams, Richard et al. 2005. "The Changing Face of Inequality in Home Mortgage Lending." *Social Problems* 52(2): 181–208.

Policy 12: War on Drugs (1971 to Present Day)

The War on Drugs launched by the Nixon administration and exacerbated by the Clinton administration has produced profoundly unequal outcomes across racial groups. Although rates of drug use and selling are comparable across racial lines, people of color are far more likely to be stopped, searched, arrested, prosecuted, convicted, and incarcerated for drug law violations than white people.

Incarceration directly and indirectly influences income and wealth. For one, there is a financial cost associated with being incarcerated. Many inmates face substantial financial obligations, including child support that accrues interest while a parent is incarcerated as well as other court-related fines and fees that an individual is responsible for paying once released. Additionally, people returning from jail or prison are viewed suspiciously by many prospective employers. They bear the indelible stigma of incarceration that ranks them low on any list of job candidates, and face a number of laws barring them from working in certain occupations.

When a family member is incarcerated, a household loses the income from that family member. In addition, that family might also go into debt to pay court fines and fees. Once that family member returns home, they face limited employment opportunities, and if they can find employment, it's usually a job that pays at or below minimum wage. These 3 factors increase the immediate economic strain on families. In addition to the immediate economic strain incarceration puts on families, households also face longer-term financial barriers related to building wealth for the future. Since incarceration places many individuals and families in a place of debt, their credit scores and disposable incomes usually take a hard hit, making it even more difficult to start bank accounts, or receive loans to buy a house or start a business. Having limited access to opportunities to build for the future hurts returning citizens and their families.

How does this policy relate to the racial wealth and income gap?

Black people are up to 10 times more likely to be stopped, arrested, sentenced, and incarcerated for drug-related convictions compared to white people, although both communities use and sell at the same rates. Incarceration of a family member increases a Black household's chances of falling into poverty. About 70% of Black households have become food-insecure or where unable to meet other basic needs as a result of having a family member becomes incarcerated. On average, Black families go into \$13,000 in debt from paying fines and fees alone, and this doesn't account for the income lost from the family member who used to provide for the family. This unfair dynamic widens the racial wealth and income gap, and prevents Black families from building wealth since many are going into debt as a result of being racially targeted and over-policed.

Where can I get more information and sources?

1. Pettit, Becky, and Bruce Western. 2004. "Mass Imprisonment and the Life Course: Race and Class Inequality in U.S. Incarceration." *American Sociological Review* 69(2): 151–69.
2. Sykes, B. L. & Maroto, M. "A Wealth of Inequalities: Mass Incarceration, Employment, and Racial Disparities in U.S. Household Wealth, 1996 to 2011." *RSF: The Russell Sage Foundation Journal of the Social Sciences*, vol. 2 no. 6, 2016, pp. 129-152.
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12 Key Federal Policies that Have Contributed to the U.S. Racial Wealth and Income Gap

(continued)

POLICY 6: The Social Security Act (1935 to Present Day)

The Social Security Act provided a safety net for millions of workers, guaranteeing them unemployment insurance and an income after retirement. However, 65% of Black workers were ineligible to receive Social Security because the legislation was designed in such a way that it excluded farmworkers and domestic workers—who were predominantly Black—from receiving “old-age” and “unemployment” insurance. To this day, farmworkers and domestic workers are excluded.

POLICY 7: The Fair Labor Standards Act of 1938

The Fair Labor Standards Act was enacted to help lift the economy out of the Great Depression but excluded a number of tip-based professions predominantly held by Black workers from the first minimum-wage protections. Even though the Black unemployment and poverty rates were twice that of white people during the Great Depression, the very policies meant to alleviate economic strain were often withheld from the Black community, making it harder to build wealth in the future. Tipped workers are still excluded from the federal minimum wage today.

POLICY 8: The G.I. Bill of 1944

The G.I. Bill was designed to help World War II veterans adjust to civilian life by providing low-cost home mortgages, low-interest business loans, tuition assistance, and unemployment compensation. Most of the benefits distributed were unavailable to Black service members.

POLICY 9: The End of the Separate but Equal Doctrine (1954 to Present Day)

Despite the Separate but Equal Doctrine being overturned in 1954, U.S. schools are more racially segregated today than they have been in the past four decades, since Black students are seven times more likely to live in areas of concentrated poverty, and attend underfunded, understaffed, and overcrowded schools.

POLICY 10: Federal-Aid Highway Act of 1956

Over 3 decades, 48,000 miles of road and highways were built in an attempt to connect suburbs and rural areas to the city for the purposes of commerce and jobs aiding the white flight to the suburbs. The creation of the highways also led to the destruction of many predominantly Black and other non-white neighborhoods in the name of urban renewal.

POLICY 11: Subprime Loans (1970s to Present Day)

Starting in the 1970s and continuing today, the private sector issued subprime loans almost exclusively to Black families, regardless of income, good credit, or financial history. As a result, Black families continued to unfairly pay more money for homes of the same value as their white counterparts, causing rates of foreclosure among Black families to increase.

POLICY 12: The War on Drugs (1971 to Present Day)

The War on Drugs has exacerbated the racial wealth gap through practices that inherently targeted Black and Brown communities. Although rates of drug use and selling are similar across racial lines, Black men are up to 10 times as likely to be stopped, searched, arrested, prosecuted, convicted and incarcerated for drug law violations than white men.