

# **Unjust and Unfair: Consequences of the Racial Wealth Divide**

## **Episode 1: From Public Goods to Private and Profitable**

[00:00:00.00] [MUSIC PLAYING]

[00:00:11.49] This is In Solidarity, a podcast where we draw connections between power, place, and health, and discuss how our lives, our fates, are all interconnected. Here are your hosts, Ericka Burroughs-Girardi and Beth Silver.

[00:00:26.61] Hi, there. And welcome to In Solidarity. I'm Ericka Burroughs-Girardi here with my co-host Beth Silver. Great to be together again, Beth.

[00:00:35.58] And great to be with you, Ericka, here for our first full episode of In Solidarity, a podcast from County Health Rankings and Roadmaps. As you heard in our intro, this podcast is about how our lives are interconnected, and what that means for health and well-being. We're making the connections between the past, current systemic and structural problems, and the future, and how well and how long people live. But first, as co-hosts, I suppose we should introduce ourselves. Ericka and I are colleagues here at County Health Rankings and Roadmaps.

[00:01:07.50] It's a national program of the University of Wisconsin Population Health Institute in Madison, Wisconsin with funding from the Robert Wood Johnson Foundation. Before joining the team here, I was a longtime newspaper journalist.

[00:01:20.04] And my career has been in public health. For the last four years, I've led the webinar series at County Health Rankings and Roadmaps, where every month, we connect with leaders and community activists to learn about ways to make our communities healthier. I'm excited to extend that mission to a new podcast. Our first miniseries on In Solidarity will tackle the racial wealth gap, what it is, how we got here, how it affects health, and what we can do about it. To address the issue, we have to understand the forces behind racial wealth inequality.

[00:01:54.75] It started with the enslavement of human beings, then government policies going back to the Civil War era, and continuing through the creation of Social Security, and the fact that policies excluded many people of color by excluding agricultural, domestic, and railroad jobs. Keep in mind, these are jobs that were held in large part by people of color. Or let's consider the GI Bill, which primarily benefited white veterans, or the current tax code, which favors homeowners who are disproportionately white.

[00:02:27.30] There are just some staggering statistics about the wealth gap, Ericka, wealth being the total value of assets minus any debts, like the fact that racial differences are far more pronounced in wealth than in income. Black families have just 10% of the assets of white families in this country. That difference between Black and white wealth exists even when other things are constant like income and educational attainment. White people without a high school diploma for example have a higher net worth than Black people with a college degree.

[00:03:00.84] And when you consider, Beth, how a family's assets impact how long and how well they live, the need to focus on wealth is clear. When we say family or generational wealth, by the way, we're not talking about riches. We are referring to some basic needs, things like a few months savings, money for education for buying a home, or maybe starting a business. In this first episode, we'll kick things off by talking with the author of a new book about how collective action, in essence, social solidarity, can return public goods to the public for the common good. It's about chipping away at inequities and the racial wealth gap.

[00:03:42.81] That's right. Donald Cohen is the author of *The Privatization Of Everything How The Plunder Of Public Goods Transformed America And How We Can Fight Back*. He's also the founder and executive director of *In The Public Interest*, a national research and policy center out of Oakland, California. Donald Cohen was gracious enough to join us today from his home in Los Angeles. So excited to engage in this conversation with him and to be able to ask him questions about health equity and the racial wealth gap. We'll bring Mr. Cohen into the conversation in just a minute.

[00:04:15.49] But first, the word about why we're looking at health through the lens of social solidarity. It's a concept that's been around for more than a hundred years. We're deeply connected to one another in a complex modern society. And the collective decisions we make have profound consequences for our health. Health is grounded in a reality that policies and community level decisions impact everyone. Our own data here at [countyhealthrankings.org](http://countyhealthrankings.org) clearly show this.

[00:04:44.13] In our first series of *In Solidarity* as we mentioned, we're covering the racial wealth gap, or as some scholars are calling it given its severity, the racial wealth divide. Over the course of six episodes, we'll talk with leading experts about the history of the racial wealth gap and how this continues to affect the health of Black Americans, Indigenous people, and other people of color.

[00:05:05.73] We'll also discuss how we can harness collective power to fix this. Research has shown that wealth, the opportunity to build it and use it, is deeply connected to health. So even rich countries like the US might suffer from poor health if we don't focus on opportunity for everyone. We have a long way to go. Income inequality is bad enough. But when you consider assets like investments, real estate, and so forth, the things that build wealth, we have a lot of work to do.

[00:05:37.10] I'm so thrilled to introduce our first guest for *In Solidarity*, Donald Cohen. As I mentioned, he's the founder and executive director of *In The Public Interest*, a national research and policy organization that studies public goods and services, and advocates for strengthening public institutions that work for all of us. He also just co-authored a new book called *The Privatization of Everything*. So happy you could join us, Mr. Cohen. Welcome.

[00:06:02.74] [MUSIC PLAYING]

[00:06:08.19] Well, thanks so much for having me.

[00:06:10.79] Donald, the theme that runs through our shows is the idea of social solidarity. We want to start by asking you what we plan to ask all of our guests. What does social solidarity mean to you? And how does it influence the work that you do?

[00:06:27.66] Well, it's a great question. I'm glad that it's the starting point. It's sort of at the core of the book that I wrote. It's about that there are things that we have to do together. So I'll answer it at two levels. One is a value level. I think that we're social creatures. We need each other to get through life. And that's not just, we need our family. We really need each other. Everything that you come in contact with throughout the day, many different people had played a role in creating it.

[00:06:57.03] But the other thing that social-- that it means to me is that there's a fact of our interdependence. Whether we want to admit it or not, we rely on each other. For many of us, COVID has punctuated and underlined a key notion that the health of all of us depends on the health of each of us. That's a fact. So it's in our interest then not just for me to be healthy, get vaccinated, or to be able to go to a doctor. It's literally in my interest for everyone to be healthy. It's in my interest for everyone to have an education, to everyone to be able to go to college, for everyone to be able to breathe clean air, for everyone to have a good enough job that pays them so they can afford child care for their kids.

[00:07:42.36] So if all these things are essential public goods, then it's critically important that everyone has, and that we can only do those things if we do them together. And we can only do them together if we have a sense of solidarity and trust in one another and commitment to the basic project that is a democratic nation.

[00:08:01.79] Yeah, good stuff. What role do public goods play in building wealth?

[00:08:08.79] Well, they're essential. So again, how I define public goods is the essentials that we all need. Health, education, clean water and environment, clean air, the planet, kind of all of the above. Our ability to move around, mobility, sort of all of these things. And so that's the first thing to start with. So if you don't have access to some of those essentials, if you don't have access to health, what happens? We know what happens? People end up sicker, they end up in debt, they end up underwater all the time. And if you don't have a job that pays you a livable wage and has health care benefits and all the above, you're underwater all the time.

[00:08:56.64] If you can't get a loan because either you don't have the income to support paying back the loan, or you're subject to exclusions, and redlining in the past, and other sort of structural exclusions to be able to get access to cheap debt, then you can't build assets. And if you don't have assets, you don't have wealth. If you don't have retirement savings, you don't have wealth. These are shackles.

[00:09:25.66] Donald, you said-- you gave the example of the person who doesn't have a living wage for example. Why does somebody across the country care about if they're doing well, they are accumulating wealth, they're earning an income. Why do they care about the person who can't do that?

[00:09:43.30] Well, I say a few things. One is, that person is-- it can go down a little bit of a list. That person who's not making a livable wage is relying on the public for things, whether it's Medicaid, or food stamps, or they're not paying-- they can't pay enough taxes to provide the basics the government needs to do. Then we all pay. So there's sort of a distinct and clear economic interest. But we also realize that we don't grow economically unless people are building wealth, grow as a nation. Our economy doesn't grow.

[00:10:22.69] So we-- we also realize that we can't solve the big ones. If people can't buy a car that doesn't emit greenhouse gases because it's an old car, we all suffer from that. So there's many things that happened. If people don't have wealth, people don't have access, people don't have cars, people don't have health care, that really do affect us all. It may seem far away. But there's no question. It's kind of all in on the big stuff. And the big stuff is inequality, the big stuff is racism, the big stuff is climate. The big stuff is democracy. We kind of need everybody in to be able to attack those issues.

[00:11:04.90] We thought your book, *The Privatization Of Everything*, was a good jumping off point for us since at its core, it's about solidarity. You write that recognizing how dependent we are on public goods makes us quote, "a healthier, fairer, more compassionate, and more democratic nation." Can you tell us more about what you consider to be public goods and what's happening to them?

[00:11:28.60] Yeah, a few things. Let me say first that the term public goods in the economics textbooks is sort of the dominant-- dominates a lot of people's thinking, a lot of opinion makers' thinking is that it's a very narrow definition that-- I'm going to explain it very briefly. It's things that are non-exclusive and non rivalrous. And it sounds complicated, but it's actually pretty simple. They are things like a street light that you can't exclude someone-- a public thing that you can't exclude someone from using. Everybody-- and that's the excludable.

[00:12:02.62] The non rivalrous means that they are things that if someone is using that light to read a map, other people can walk up and use it as well. So everything else is a private good in that view of that view of economics. Now so take health care. In that definition, it's a private good. You can exclude. We do. And it is rivalrous. You have to have both because there's only so many doctors, and nurses, and health care facilities. So classical economics are saying, it's basically saying is that the market gets to decide what everyone should have, what we should consider a public good that is essential. So we reject that. I mean, we talk about that in the book.

[00:12:43.57] We say-- think of a public good as those things that are essential to survive and thrive, health, education, clean water, environment, the ability to communicate with one another, the ability to move around, mobility, transportation. They're the things that we all need to survive and thrive. And they're also the things that we can only do if we're committed to doing it for all if we do them together.

[00:13:12.31] The only way to get universal health care coverage, even with private providers and all that, is government involvement. The only way to be able to send a letter at the same cost to every corner of the country is with government involvement. So there are things that we can only do if we can do them together.

[00:13:31.37] I'm wondering too, you describe how privatization gained momentum in large part during the Reagan era. But where are we today? Where is the American mindset at on the concept of the common good?

[00:13:43.70] There's a few things I would say. One is after 40 years since the Reagan revolution and sort of what began kind of an assault on the idea of government and the institution of government, using racism, using lots of things, using lots of propaganda, and great rhetoric, he was a great speaker. People believe government is inefficient, and inappropriate, and negative. Period. Government, bad. So right now, we're in kind of an idea environment that says, government can't do things. The private sector can.

[00:14:18.17] Now it's not-- that's not universal. I mean, we see things that the private sector is not doing well also. But so we're in that place. We're also in a place where taxes have been cut at the federal, the state, the local level so that we don't have the ability to provide what should be basic essentials for all. So that child care, I believe that's a fully privatized public good. We-- my kids are grown. But I have grandkids. It's incredibly expensive to get in child care.

[00:14:54.75] So if that's the case, then we don't have the money, then people are left to the market to meet their essentials, to meet their essential public goods. Just a follow up question. I'm wondering, do you think it's kind of a self-fulfilling prophecy? We cut taxes, we cut budgets, then we don't show the public the value of public goods.

[00:15:18.44] Well, I don't think it's a self-fulfilling prophecy. I think it is a strategy of those. It's like someone runs for office. The government is all screwed up. Elect me and I will prove it to you. And so if you don't have the resources to do things, if you come into office and say, I'm going to cut your taxes, and you're going to say, I don't think the government even should be doing these things, then you're going to dismantle the institutions.

[00:15:49.85] In this first series of In Solidarity, we are focusing on a racial wealth gap and how it's connected to health. Now you make a compelling argument in your book about how racism contributes to the shift away basically from solidarity in American society. How does this anti-public thinking, as you put it, have racist structures at its center?

[00:16:16.20] Yeah, it's a great question. So the privatization of education, your school vouchers, and through growth of school charters, I can get into that, is started as a racist segregationist response to Brown v Board of Education. Southern states, what they did in response was create school voucher programs where people could get their tax voucher and go to a private school because white families didn't want their kids in schools with Black kids.

[00:16:48.21] So they created segregation academies and white flight academies and closed down some of the public schools that were primarily Black kids because they didn't have the money anymore because they were sending it off. So and they spoke about it as this, as school choice. We should be able to choose who we want to be in school with and who we don't want to be in school with. You can look at the record. There's lots of quotes about that. And so we-- so that's the first thing. And we see that throughout. We see going to today, we see increasing segregation in schools.

[00:17:20.55] We found a-- because people are choosing what school they want to go to because now we're putting these things in the market. So there's the nominal stratification and segregation that happened because of market choice. So we are increasingly seeing increasing segregation because-- in education throughout, in states all across the country. An important point to make there on solidarity is that in terms of social solidarity, if you are not interacting with people, and therefore you do not have the ability to understand their perspective and their experience, and then it becomes easier to say to other them, to make them the other.

[00:18:04.50] You have to interact. So the public places that we interact, parks, libraries, schools are being whittled away so less and less do we interact with one another. People that are different from us, people that have different ideas than us, people that look different, that at worst, worship other religions. It is at the core of our problem in democracy, and economy, and all things right now.

[00:18:35.79] I mean, the other piece of racism, how racism is affecting all this, again, and when you put it in the market, the markets exclude. That's what they do. They only sell things to people with money. And then Reagan, as we mentioned, when he was attacking welfare queens, what was really going on there is he was saying, look. The government serves somebody else, not you. And that somebody else is undeserving. That wasn't an accident. That was by design.

[00:19:10.56] Wow.

[00:19:11.84] What about health? How does the massive gap in wealth between white people and people of color impact health?

[00:19:18.17] Well, if you don't have resources in our society, you don't have health. I mean, dentistry. We all know-- I mean, dentistry is expensive. Lots of people avoid dentistry because they don't have resources. Your teeth aren't-- you can't replace a lost tooth with an implant or however they do that, you don't get a job. I mean, these are very practical things that happen in poverty. And so health is crucially important. It's why I say the public goes, they're the basics. If we don't have the basics, you can't get anything else done.

[00:20:06.22] And there's very few things that are as important as health. I mean, there are other important things of course. But if you're sick and you don't have paid time off, you may not make that rent payment.

[00:20:21.19] What about the idea of individualism? Can you explain, Donald, how this is not really something we can attribute to poor individual decisions? I think there's this false narrative that leans toward the idea that if Black Americans just knew how to save better, or made better personal decisions, somehow there would be no racial wealth gap.

[00:20:42.25] Yeah, I find that one funny. But absolutely. People are on their own. If someone can't-- here's the core idea. If someone can't succeed, it's their own fault. And it's not my responsibility. It's theirs solely. So and listen. We're all responsible. You can't ignore it, the fact that we have responsibilities. But if you make it harder for people to get an education because of segregation, or you can't go to college because you can't afford it, if you make it harder to buy a

home, if you make it harder to afford child care, if it's easier to be burdened by and shackled by debt, these--

[00:21:28.99] Like I was saying earlier, these are shackles. And there's no boot straps that pull you out of that. Yeah, I'm for personal responsibility. I teach my kids that. But personal responsibility doesn't create the roads. It doesn't get everybody health care. It doesn't get everybody access to higher education. It doesn't clean the air. It doesn't do all sorts of stuff. You live in a poor community where there's a toxic emitters are in your-- live in your neighborhood, and where are you going to get the money to buy a house in a wealthy community that doesn't have toxic emissions in it? You don't.

[00:22:02.53] Yeah. And we're going to get into concrete solutions for the racial wealth gap in later episodes. But in terms of promoting social solidarity and reversing our anti-public thinking, where do you see things headed? And what should we be doing to create more equitable opportunities and outcomes?

[00:22:24.87] Where do we go? We have to attack the mindset and those ideas that have got embedded that we were talking about earlier, individuals that are on their own. No, there are things we can only do together. We actually are-- and in fact, it is true. We are in it together, whether we admit it or not. We have to attack that the market is the best thing. The market is the right thing, instrument, to meet our needs. No. In fact, I just say there are market things that are private goods, and market things in public goods. There are different things. You don't use markets to deal with public goods.

[00:22:55.77] You may use private businesses, but that's different from using the market, market mechanisms. So we have to-- business more efficient. So let them do everything. Well, there are businesses that are efficient. There are business that are not efficient. But businesses are a black box. We actually don't know. All we know is whether they produce the stuff, and how much it costs. And so and there are lots of government agencies that are efficient in providing quality services all around us, and which is kind of the second sort of mindset is it's easy to not like government because there's so much negativity. There's so much attack on it, and there's so much negative. But in fact, public things are kind of all around us that we sort of take them for granted.

[00:23:37.74] You turn on the faucet and the water comes out. I mean, it's not good in all places. Flint had health problems. We just didn't spend the money. But the paint on our walls used to have lead in it. But that was public action that took that lead out, of paint and of gasoline. So there's-- I mean, one of the things I say is that the public is both around us, is both ubiquitous, and invisible at the same time. So we need to sort of lift up that in fact there are public things all around us that actually help us get through the day. It's not all bad.

[00:24:16.05] And then remember what the public purpose of those things are. This is all sort of the idea we're at, right? Access to transit is about mobility. Access to health, me having health care, is about a healthy population. I think it's always important to remember that and our interdependence.

[00:24:35.19] It seems like in some ways, there are specific strategies to close the racial wealth gap. But it also seems like that maybe in mindset shifting ways, there are sort of feels like a marketing battle in a way. You have on the one side all of these private companies and conservative thinkers who want to change, I think, as you wrote public goods into consumer goods. They've reframed it in that way. But who's doing that marketing push, or reframing things, on the other side of it?

[00:25:13.30] Well, it's a problem. I think we've been under assault. The idea of a government, to this point, also the institution, but the idea of government has been under attack since the Reagan years and a little before. But there's no similar force saying, pushing back. Look, both sort of saying no to those ideas and sort of unpacking them and saying what's true, and what's not, but advocating for those public things. There's not.

[00:25:38.01] There's lots of us who are working on specific issues like public health or housing. How do we get people affordable housing? That's of course key to wealth, right? And but not the larger ideas of public where-- it's missing. It's part of the reason we wrote this book.

[00:25:55.53] Very good.

[00:25:56.16] That was a fascinating conversation.

[00:25:57.44] Yeah, thank you so much. We really appreciate it, Donald. And thank you for a great book. It was a great read.

[00:26:05.19] Well, thanks so much for having me.

[00:26:06.54] [MUSIC PLAYING]

[00:26:11.89] What a great conversation with Mr. Cohen. He's clearly fighting to make sure that public goods stay in the hands of the public. Really, it's putting the idea of social solidarity into practice.

[00:26:23.38] Yeah, Beth. So much is riding on this struggle, including the wealth and health of people of color across the country. That was a fascinating conversation.

[00:26:32.53] Wasn't it?

[00:26:32.92] But one thing that Donald said that I think people overlook is that our country's economic growth is tied to our ability to spend. So when people are not even making a livable wage, the country's economy is stagnant.

[00:26:46.89] That was pretty powerful. I think the part of the conversation that's going to stick with me was when he said that public health is ubiquitous, but at the same time, somehow it's invisible. And there are lots of forces at work with a deliberate strategy, marketing really when you think about it, to get rid of public health and public goods. But that same marketing effort doesn't really exist on the public health side.

[00:27:09.93] That was really a perfect way to start off this podcast. It's got me even more excited for what's to come. Speaking of which, do you want to tell the audience who we have next, Beth?

[00:27:19.47] You got it. Next up on In Solidarity, we'll talk with Dr. Christine Muganda. She's a colleague of ours here at County Health Rankings. And she's going to talk more about how wealth and health are connected and where things stand right now in terms of the racial wealth gap.

[00:27:34.48] She'll also talk about some of the research we've done here at County Health Rankings and Roadmaps that show how some of these layers of disinvestment that Mr. Cohen described stack up in a community and worsen inequities. We'll break down the data, look at the places that have some of the biggest racial wealth gaps, and look at those that are making improvements. Until then, I'm Ericka.

[00:27:57.33] And I'm Beth.

[00:27:58.32] And we're In Solidarity, connecting power, place, and health.

[00:28:02.04] [MUSIC PLAYING]

[00:28:05.56] Now it's your turn to join the conversation. Head over to our podcast page on [countyhealthrankings.org](https://countyhealthrankings.org) and share your thoughts with us. The question for this episode is, has the privatization of public goods impacted people in your community? And if so, how? In Solidarity is a production of County Health Rankings and Roadmaps from the University of Wisconsin with funding from the Robert Wood Johnson Foundation. Views expressed by guests of In Solidarity are their own. Their appearance on In Solidarity does not imply County Health Rankings and Roadmaps endorsement.

[00:28:46.27] To learn more about our guests' work, to discover additional resources on the topics we've discussed, or to find out how healthy your community is, visit us at [countyhealthrankings.org](https://countyhealthrankings.org).