

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

## **Episode 4 - Reparations: A Solution to the Racial Wealth Divide**

[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.

[00:00:26.10] Hi there, and welcome to episode four of In Solidarity. I'm your host, Beth Silver, here with my co-host, Ericka Burroughs-Girardi. Hi, Ericka, how are you?

[00:00:35.16] Hey, Beth, I'm doing great. I'm excited for our conversation about reparations today.

[00:00:40.11] Me too. Taking stock of where we're at in this miniseries on the racial wealth gap, episode four of six, we've introduced the problem-- how wealth inequality is a pervasive and enduring problem, even greater, possibly, than income inequality. We've talked about the data behind it. We got into the history of the racial wealth divide. Now, finally, we can talk about hope-- the solutions.

[00:01:02.64] In this episode, we'll look into reparations as a possible solution to bridging the wealth divide. We're joined by Dr. Andre Perry. He's a senior fellow with the Brookings Institution and a scholar in residence at American University. He's authored the book Know Your Price, Valuing Black Lives and Property in America's Black Cities. And Dr. Perry also co-authored a Brookings policy brief that we'll be discussing today. It's called "Why We Need Reparations for Black Americans."

[00:01:30.18] Here's a stat that gets repeated often but still shocks the system-- white people with less than a high school degree have more wealth than Black college graduates in this country. It dispels the myth that Black families could accumulate wealth if they just pulled themselves up by the bootstraps or knew how to save better or went to college.

[00:01:50.40] It is shocking, Beth, so worth repeating that, when we're talking about wealth inequality, we need to remember that the average white family has 10 times the wealth of the average Black family. And as Dr. Perry points out, white college graduates have more than seven times the wealth of Black college graduates. What does that mean for the opportunity for all of us to thrive?

[00:02:13.92] Dr. Perry and other scholars believe that, through reparations, cash payments to descendants of formerly enslaved people, we could close the racial wealth gap. We could also provide wealth building opportunities, according to Dr. Perry, to address racial disparities in education, housing, and business ownership.

[00:02:34.05] One of the interesting arguments that Dr. Perry makes, along with his co-author, Dr. Rashawn Ray, is that we've already had reparations in this country-- just not for Black people. We've talked about the infamous 40 acres and a mule that were promised to formerly enslaved people at the end of the Civil War-- of course, that never came to pass for most-- and how the Homestead Act ended up giving land to white Americans instead.

[00:02:59.13] In recent years, some of the country's foremost thought leaders have weighed in-- people, including Dr. Perry, journalist and author Ta-Nehisi Coates, journalist and professor Nikole Hannah-Jones, and so many others who have investigated the idea of reparations. And there is some movement, albeit a small amount, in this direction.

[00:03:19.36] In fact, Ericka, as you know, last year, Evanston, Illinois, became the first US city to provide reparations to some of its Black residents. It's a small and focused project for housing discrimination, but a start.

[00:03:32.19] On the other hand, a poll last year showed that nearly two out of three Americans were against reparations. Clearly, a lot to discuss with Dr. Perry. So let's get into it. Please help us welcome Dr. Andre Perry.

[00:03:45.90] [MUSIC PLAYING]

[00:03:51.64] Hello, Ericka and Beth. How are you guys?

[00:03:54.91] We're doing great.

[00:03:55.87] I want to start with this question. So on In Solidarity, the theme that runs through our shows is the idea of social solidarity. What does social solidarity mean to you, and how does it influence the work you do?

[00:04:10.31] Well, social solidarity, for me, means that we see our commonness, our humanness, our shared fates that we don't live in a world where we believe that the impact of our actions does not have consequence on the whole. And so for me, to be in solidarity is to recognize our shared fates. But that extends economically, politically, socially-- in so many different aspects. And so for me, it is really understanding our shared fate.

[00:04:51.70] For me, the most basic question-- what are reparations? Who would qualify? What would it cost? What are the basics around reparations?

[00:05:01.11] Reparations is-- I mean, the root word-- you can hear the term "repair"-- through some-- and it typically connotes some type of financial settlement because of an injury, based upon a claim of a disenfranchised class.

[00:05:16.68] And in this context, the reparations-- certainly, there's a claim for reparations in regards to slavery, Jim Crow racism, various forms of discrimination, including housing, criminal justice. But reparations, simply put, is some type of repair based upon an injury inflicted wrongly, particularly by a government or some type of major actor.

[00:05:51.82] Who would qualify for that, then?

[00:05:54.98] Well, I'll put it very clear. In the context of Black Americans and for slavery, in particular, it would be the American descendants of the enslaved. But there are other claims.

[00:06:13.39] So if you're talking about slavery, you need to be specific about slavery. If you're talking about housing discrimination, you need to be specific about that. And so there are people who were not the descendants of the enslaved but were impacted by redlining and by segregation. And so there's a claim to be made for those people as well.

[00:06:38.79] And then, you always have to be very clear that there are different claims by country. And so if you're talking about Caribbeans, they can lay claim to the UK, or the Brits, for their actions. And the American government has inflicted harm on American citizens. So you also need to be very specific in that regard.

[00:07:08.11] And let's also understand there is an intergenerational component to this, that my ancestors were denied opportunities for wealth, longevity, health, opportunity. And that has a direct bearing on my wealth, health, and all these different things. And so the descendants of the injured certainly should be awarded some reparations.

[00:07:43.01] I mean, obviously, no one is living who were officially enslaved. But their children and their children certainly should be awarded some reparations. And likewise, if we're talking about redlining-- people are still alive. I mean, there are injuries that have been caused in very recent times. And so there's claims to be paid out for those atrocities as well.

[00:08:18.29] Right.

[00:08:18.69] And this is where it gets tricky. And this is where there's a lot of debate. Should reparations come from the federal government? Should it come from states? Should it come from local municipalities? And the answer is, yes, all of them-- that you can lay a claim at any one of those levels because it happened.

[00:08:41.36] And in fact, I always have to explain to people that many of these policies were started locally, in fact. So when you're talking about redlining, a lot of people point to Baltimore in 1910. And those practices were picked up in New Orleans, in Atlanta, in lots of other places. And it's moved its way up to the federal government. And then the federal government effectively codified and enriched those policies, empowered those policies.

[00:09:21.32] But so we should not lose sight that local governments were many of the architects of this inequality and hold some responsibility in repairing that damage. So for me, that's a big question because-- who's owed reparations. And ultimately, we'll get to question about who should pay.

[00:09:53.49] And people-- you hear these silly-- and I do mean silly-- remarks, when people say, I didn't own any slaves. Why should I pay reparations? Well, we're not asking individuals to pay reparations. We're asking the federal government, state governments, institutions to pay.

[00:10:12.20] And that is certainly not a foreign concept. I mean, 9/11 victims receive some form of reparations. And I mean, and other groups-- Native Americans-- while, certainly, they were woefully inadequate, woefully inadequate, and almost an insult to the injury. But there was some reparations.

[00:10:39.95] And when you talk about Japanese interned-- again, woefully inadequate. But there was redress for Japanese in turn. And then internationally, you obviously have Jewish citizens who were paid reparations from Germany.

[00:11:00.60] So this is not really a foreign concept. The only time it becomes controversial is when it comes to Black people. That's the only question. Americans believe in reparations. They just don't believe in reparations for Black people.

[00:11:16.95] The public is now becoming warmer and warmer to the idea. And we can talk about the evidence of that. But certainly, reparations, even 20 years ago-- in terms of polling, only about 12% of people were for it. Now, it's up to 30%, when I looked at some of those recent numbers. So it's been too long for us to receive reparations. But it's certainly due.

[00:11:52.79] Dr. Perry, I have so many questions within everything you just said. And you anticipated a lot of them, so I appreciate that. One of them is, why not Black Americans? As you said, Indigenous people, Jewish Americans, Japanese Americans, but not Black Americans. Why not?

[00:12:12.78] Well, I mean, hatred is real. And I mean, why Black Americans have not received reparations? Because many of our white brothers and sisters don't believe we're American. Like I said-- and there is such a disdain for doing Black people right that it comes out in whether or not we receive reparations or not.

[00:12:47.57] Again, several other groups have received reparations. But anti-Black racism was rooted in white supremacy and this idea that Black people don't deserve anything from the government because we're not considered members of the United States.

[00:13:13.79] And I started my policy work looking at undocumented immigrant educational rights. And my dissertation was on membership because who we deem a member ultimately translate into what kind of public goods and services they receive. And in the case of undocumented immigrants, we know that there are immigrants who are doing everything required of membership. They're going to school. They are working. They are socializing, going to church, all these different things. But they're not getting certain educational benefits.

[00:13:55.94] Well, but that-- the case of undocumented immigrants has a precedent. Remember, women and Blacks did everything required of membership but did not get the full rights and privileges. We were second-class citizens, so to speak. But in many regards, we're still second-class citizens until we receive reparations because it is owed.

[00:14:23.48] I mean, there is an unpaid invoice, going back to when General Sherman issued his order to provide 40 acres and a mule. People will cite that as the first issuance of reparations. But that was squashed. And we haven't seen any type of real movement since until, really, now.

[00:14:57.77] I mean, reparations is now coming off the lips of mainstream Americans for the first time. We're doing podcasts. We're doing hearings. It's amazing. And so we're still nowhere near where we want to be. But certainly, reparation movements are happening at a local level, the same way exclusionary practices were happening at a local level. And they work their way to Washington.

[00:15:28.00] Yeah.

[00:15:28.51] What about, Dr. Perry, a race-neutral solution? Is that even-- should that be under consideration?

[00:15:37.54] You know, no. I mean, I think, certainly, we can figure out ways to help all citizens who are low wealth because, to a certain extent, we need a new social safety net. People who were not able to acquire wealth-- poor whites, Latinos, and others-- other classes who have been discriminated against-- gays, others-- certainly should benefit from public policy. And there are certain claims to that.

[00:16:22.58] But when you're talking about anti-Black racism, you almost have to have a specific solution for Black people. It is hard to not recognize race when you're talking about redline, when you're talking about slavery. I mean, this is done to Black people. And we still see evidence of the impact by race.

[00:16:51.92] A lot of people look to my work on housing devaluation, where we found that homes in Black neighborhoods are underpriced by 23%, about \$48,000 per home. Cumulatively, there's a loss of about \$156 billion in lost equity. And we found that difference after controlling for education, crime, walkability.

[00:17:15.74] But what we also are finding is that there is a big difference between the devaluation of homes in predominantly Latino communities. It's more class-based than race-based, that the more poor people you have, the lower the values, so to speak. So it's not as race specific.

[00:17:43.86] But when it comes to Black concentration, it really lowers the value because of Blackness, not necessarily because of your class.

[00:17:53.48] Right.

[00:17:54.50] And so we almost have to have a race-conscious policy. And let's be real-- a lot of our policies are race conscious anyway. But when white people are the default race, you don't have to call it as such.

[00:18:13.42] That's right.

[00:18:15.92] And for me, I think, yeah, we have to have a race-conscious approach. But there's an "and" here. I also think that people who are low wealth need relief, too, because it is almost impossible to get a share of the, quote unquote, "American dream" if you don't have wealth in your coffers.

[00:18:47.08] And that leads me to my next question, Dr. Perry, because I want to talk about this idea that seems to elude some-- that, in order to close the racial wealth gap, we can't lift all boats. In other words, programs that improve opportunities for wealth accumulation for the entire class don't actually address the wealth gap. How does that sound to you? How does that resonate with you?

[00:19:11.20] Well, there is some truth. If you don't address racial inequality, you'll essentially raise all boats from whatever standing they are. And so my issue is, you must address the racial inequality-- at the same time, providing opportunities for people to build wealth.

[00:19:37.80] And what that looks like is-- in the housing markets, for instance. Let's be clear-- we do need to give down payment assistance, low-interest loans, and the like to African Americans who have been discriminated against, period. I mean, that we're owed these things. And that's going to the heart of reparation. We did not receive them.

[00:20:06.44] So to address it, you have got to provide these subsidies that you already provided to white people. There's no way to get around-- if you just said, hey, we're going to give it to everybody, that doesn't make any sense. That math doesn't hold up. And so one, it's about giving to the people who are owed, period.

[00:20:33.79] But again, I say this-- and I really do mean it-- that, in this country, it is becoming more and more the case that the extremely wealthy are tilting the scales to benefit themselves, to the detriment of everyone. And so you also have that problem. That's not going away either.

[00:21:01.45] So for me, we do have to have a wealth tax, if you will, that will provide the revenue for many of the programs and initiatives that we need. And I think that wealth tax-- while it won't be, necessarily, race conscious, it will disproportionately impact white, wealthy individuals because they benefited from uneven policy. But we still need to address the inequality that is still with us today.

[00:21:49.86] Dr. Perry, you write that reparations are, quote, "for naught" without enforcement of antidiscrimination policies that remove barriers to economic mobility and wealth building. And you say that the architecture of the economy must change. How do you suggest that we do this? And are you saying that reparations-- essentially, they're not going to fix everything?

[00:22:12.27] Yeah, I mean, if we maintain the systems that we have, reparations won't have the impact that we want. I mean, and it goes to every system. I talk a lot about canceling student debt. And the issue there is, Black people are forced to take out loans more because of our wealth position, which was directly related to discriminatory policy.

[00:22:38.19] Now, in that regard, yes, I want debt cancellation. However, the greater solution is to have some form of free college for everyone. I mean, that's the solution because, if we're saying that college is as basic as a K-12 education, then we need to have a public option, just like in a K-12 environment. And that's not just for a community college. It's also for four-year as well.

[00:23:12.97] And so yes, I think you deal with the reparations of education. But you also need to address these systems that were built on exclusivity and change those as well. Because if-- just using that case-- if we cancel all the debt and go back to the former system, people will just acquire more debt again.

[00:23:40.59] But the same is true in banking, in economic development policy, in the housing, in the health care-- that these systems were built on exclusivity, not on inclusivity. I mean, I could go on for days about connecting our health care to our employment status, as if health care shouldn't be a fundamental, basic human right, and that housing shouldn't be some kind of fundamental human right. I mean, we make some of these things into a luxury.

[00:24:21.48] Yeah.

[00:24:22.50] And I'm like, these are not luxuries. We need an education. We need people to have housing. We need people to have health care.

[00:24:29.55] You've already hinted at this, but I do want to ask this question directly. If we could begin to close the racial wealth gap through reparations, what do you think the health implications would be?

[00:24:42.63] Oh, I mean, we would see better health outcomes almost immediately because, again, I say, reparations will certainly cut the check, but also remove the systems that rob people of opportunity and growth. And so a check with national health care-- a single-payer system-- will go a long way.

[00:25:12.33] People wouldn't have to use their discretionary income to fix a broken leg. They could use that money to put towards their kids' development. And so a lot of low-income and low-wealth people-- when they do get a little extra, they have to put it towards basic things that they shouldn't have to put it towards.

[00:25:38.98] And we should talk about parental leave. We should be talking about health care. We should be talking about free college because these things are basic. And yet we're asking people to put our discretionary income towards these very basic goods and services that should be afforded because of the taxes we pay.

[00:26:08.99] And then, even the idea of taxation is getting-- I mean, people really have this idea that America is growing because of individualism-- rugged individual. And no, America grows because the government invests in people. Our collective dollars are supposed to go towards collective goods. And there's a lot of us that are just losing sight of the collective good.

[00:26:47.09] One final question-- and to kind of round this out-- you talked about the idea of the-- we do it for moral reasons. And then there's the other idea, that we do it because it benefits us economically. It seems almost offensive to me that we can't just to do it because it's morally right.

[00:27:11.66] Yeah.

[00:27:12.62] Is that--

[00:27:13.73] Yeah. And I make this mistake all the time because I work at the Brookings Institution. And we're always talking about economic growth, and that should be the reason why we do something. No.

[00:27:27.84] I always have to be reminded-- my good friend Darrick Hamilton, economist from the New School-- he's always correcting me. We get to serve on panels. And I'm putting up all these numbers, blah, blah. And he always looks back and, you know, we have to do this because it's the right thing to do, because it's the moral thing to do.

[00:27:48.82] And I always have to be reminded-- we all do-- that this is about being our highest selves, being our moral selves. And that includes being sound morally. And so if we achieve to be the best people we can be, the best humans we can be, the highest order of our intelligence is around our moral reasoning, our social priorities. And we're not living up to those standards.

[00:28:26.30] And so I think we need to get back to this deeper meaning of "public." It's a good. And we need to get back to that. But the politicization of housing, schools, the marketplace-- this is the tools used by people to abdicate their responsibility to serve the public.

[00:29:00.36] And for me, we have got to change that and demand that our leaders and our neighbors and our children understand that public is a good thing. And we need to uplift that. So let's continue this trajectory towards freedom. And let's do it boldly. Let's do it with conviction, with a good moral compass. And we'll get there.

[00:29:35.22] I mean, people might hear me and say, oh, he's a pessimistic. But I'm actually very encouraged because I did see a lot of people marching in Black Lives Matter movements. I did see a lot of people taking risk that they wouldn't necessarily take a few years ago. I do see my brothers and sisters having a podcast, who unapologetically bring on guests like me. So I see it. And I see you, Ericka. I see you, Beth, doing the good work. Let's keep pressing. Let's keep pressing.

[00:30:11.97] Thank you for that.

[00:30:13.74] Thank you. I can't thank you enough for being with us. This was an outstanding conversation. I hope you can join us again. We'll keep reading you and following you. And we just-- we appreciate it.

[00:30:26.44] Thank you for your support. And I look forward to listening in to more episodes.



[00:30:32.61] Awesome. Thank you so much, Dr. Perry.

[00:30:34.68] [MUSIC PLAYING]

[00:30:39.80] Wow, what an illuminating conversation with Dr. Perry.

[00:30:44.30] Yes, and he makes a great case for reparations. And it feels like we're really drilling into the details of the racial wealth divide, but also the solutions to closing it.

[00:30:54.80] Yeah, it's disheartening, but it's also, at the same time, encouraging, Ericka.

[00:31:00.95] Yeah, I know what you mean. And we're going to continue this conversation in our next episode.

[00:31:06.18] [MUSIC PLAYING]

[00:31:06.51] So more solutions and strategies to come. Next up, we'll be talking with our County Health Rankings and Roadmaps colleague, Michael Stevenson. He leads our evidence and policy analysis team. His team researches and rates the policies and strategies that address the racial wealth gap and the health inequities that result from it. I'm looking forward to hearing what he has to say. Until then, I'm Ericka.

[00:31:31.85] And I'm Beth.

[00:31:33.32] And we're In Solidarity, Connecting Power, Place, and Health.

[00:31:37.70] [MUSIC PLAYING]

[00:31:41.22] 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, will reparations for descendants of formerly enslaved people ever gain enough support in this country?

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[00:32:31.27] [MUSIC PLAYING]