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COMMENTARY

RACEAHEAD

The Racial Wealth Gap Is Not Going to Improve

Ellen McGirt

Feb 06, 2017



What if everything we thought we knew about race, behavior, and progress was wrong?

A new report out this morning called *The Asset Value of Whiteness: Understanding the Racial Wealth Gap* purports to shatter traditional explanations for the lack of financial progress in African American and Latinx households as compared to white ones in the U.S.

The report is a collaboration between [Demos](#), a liberal public policy research organization, and the [Institute for Assets & Social Policy \(IASP\)](#) at Brandeis University's Heller School for Social Policy and Management. "No metric more powerfully captures the persistence and growth of economic inequality along racial and ethnic lines than the racial wealth gap," says the report. Citing data from the Federal Reserve's [Survey of Consumer Finances](#), the median white household had \$13 in net wealth for every dollar held by the median black household in



security in households of color.

Specifically:

- Attending college does not close the racial wealth gap.
- Raising children in a two-parent household does not close the racial wealth gap.
- Working full time does not close the racial wealth gap.
- Spending less does not close the racial wealth gap.

Bottom line, for people of color, working ourselves to the bone and doing all the right things is getting us nowhere.

“Our research shows that when it comes to wealth, racial privilege can outweigh a college education, a fundamental key to economic mobility for millions of people. Although higher education is associated with greater household wealth for Americans of every race and ethnicity, going to college isn’t enough to overcome deeply rooted racial disparities in wealth,” [Amy Traub](#), associate director of policy and research at Demos told raceAhead. “Now more than ever we need policymakers to understand the racial wealth gap and create policies that reverse it.”

Part of that understanding comes from the direct link that history plays in the lives of people of color today, and how even exemplary government efforts like the [GI Bill](#) largely excluded black veterans from favorable financing for home ownership. It, along with other interventions, built the white middle class while leaving others permanently behind.

But it’s not just policymakers who need to think this through. Corporate funders spend millions of direct and matching dollars for education and community development programs every year, and as a result, are in a position to influence the bigger policy forces that continue to allow barriers to advancement. They’re also in a position to make a real difference with their employees of color who are living with that wealth gap - by reconsidering a wide variety of things, like how they present and promote their 401(k)s, to understanding how a lack of family wealth impacts an employee of color's ability to make career decisions.

It's hard to accept a history that's not really in the past, and that a widespread system has left millions of families with limited options, even generations after slavery. But just understanding the context changes the conversation. And only then can real solutions be found.

On Point



sentimental ad that tells his story would be seen as a touching tribute to the American dream. But debuting online just days after Donald Trump's executive order banning immigrants from seven majority-Muslim countries, it is now being attacked as too "overtly political."

Fortune

Starbucks to world: We're not worried about boycotts

The latest call to boycott the coffee retailer is a direct response to its recently announced plan to hire 10,000 refugees in the next five years. Despite the online rumbling, Starbucks isn't backing down. Nor should it, say experts. "Big, bold action will pay off," says Chris Allieri, founder of the communications and marketing firm Mulberry & Astor. "Starbucks venturing out on its own shows leadership." Other experts say that the pro-immigration stance could also mitigate anti-American sentiments in global markets.

Business Insider

Being "proximate" makes a difference: A Syrian story from the heartland

The *Washington Post* profiles the Aljasen family – two parents and five children under 8 – whose joy at being accepted into the U.S. has turned to fear. Fear that their neighbors in conservative Omaha will reject them or that they never will be reunited with loved ones who are still in refugee camps in the Middle East. And yet, their presence is making a difference. One formerly rabid Muslim hater has gotten to know the six Syrian families who have moved nearby. "The Muslims here were all about family and they just loved everyone," he said. "These people, they really changed my heart."

Washington Post

Nordstrom honchos sent a note to employees before banning Ivanka Trump's brand

While the Seattle-based retailer claimed the decision was made because of "performance issues" with her line of handbags and shoes, a note to (and leaked by) employees, indicates a more personal reason. "When John W. Nordstrom came to the U.S. as an immigrant, he was given opportunities that allowed him to find a more prosperous and happy life," the note from brothers Peter, Erik and Blake Nordstrom reads. "We literally have thousands of employees who are first and second generation immigrants. Every one of your unique qualities brings a richness that allows us to better reflect and serve the multi-cultured communities we're a part of and ultimately makes us a better company."



It's called, of course, "The Good Hair Study" and was conducted by the Perception Institute, a consortium of researchers and advocates. The study analyzed the results after 4,000 people took a type of online bias test, called an implicit association test, involves rapidly changing photos of women with different styles of hair. The bad news: "a majority of people, regardless of race and gender, hold some bias towards women of color based on their hair." The good news? The behavior can be unlearned.

NPR

The end comes to protests at Standing Rock

In a wrenching first-person account, Ladonna Bravebull Allard talks about the police and armored vehicles who came in broad daylight to remove people first from the "Last Child Camp" of protestors at Standing Rock, then moving on to "Sacred Stone Camp," and into private homes. The tribal council, she says, were part of the action. "They had no warrant, but they forced their way onto my private land, my family's land, where I grew up on the banks of the Cannonball River. It was our own council members together with the Standing Rock Fish and Wildlife Service, the Bureau of Indian Affairs (BIA), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and the US Army Corps, all seeking to evict me from my homeland," she writes.

Sacred Stone Camp

The Woke Leader

A little-known race riot may be one of the most deadly in history

A raceAhead reader brought this little-known race riot to my attention, letting me know that "this event shaped my theology and politics before I was born." The Elaine Riot (or Elaine Massacre) happened in 1919, in the Arkansas Delta. Sharecropping black farmers had been organizing themselves via two groups, the Progressive Farmers and the Household Union of America, to get fair payment for their cotton from the Jim Crow, white-dominated planter elite. When white men infiltrated one such meeting, a fight broke out, and an angry mob became a concerted effort to find and punish black organizers. A two-day battle ensued. Estimates of black deaths range from 20 to 856.



food, and it's been a real gift. "I wrote this column feeling honored to be entrusted with their stories— [of] carrying the burden of living between two worlds," she wrote. In her final column, she returns to a staple dish from her own immigrant parents, and in doing so, shares more than a recipe for Chinese stir-fried tomatoes and eggs. "It's the kind of dish that people say is the first thing they learned to cook, that fed them when they left home, that inspires sudden and irresistible cravings," she writes. Savor every word, then enjoy the beautiful comments for dessert.

[New York Times Magazine](#)

Chocolate with a side of colonialism makes art and history

He's never tasted the chocolate he uses to make his sculpture, and until recently, has never left his home in an impoverished region of Democratic Republic of Congo. But Mathieu Kilapi Kasiama, an illiterate palm-nut cutter and sculptor, has made a statement as a contributor to an exhibition in which all the works are made from the very cacao beans that have been at the heart of colonial exploitation last century of his country by Belgium and multinationals, like Unilever. The exhibit has been put on by the Congolese Plantation Workers Art League, and is being shown in the U.S. for the first time.

[New York Times](#)

Quote

When they confront race and gender stereotypes, black women are standing in a crooked room, and they have to figure out which way is up. Bombarded with warped images of their humanity, some black women tilt and bend themselves to fit the distortion.

—Melissa Harris-Perry



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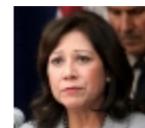


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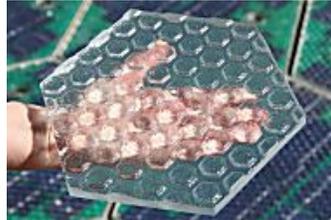
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Labor Secretary Pick Admits to Hiring An Undocumented Household Worker

Trump's labor secretary pick Andrew Puzder is under fire again today, this time for hiring an undocumented housekeeper. The news was first reported by the Huffington Post. Puzder, the chief executive

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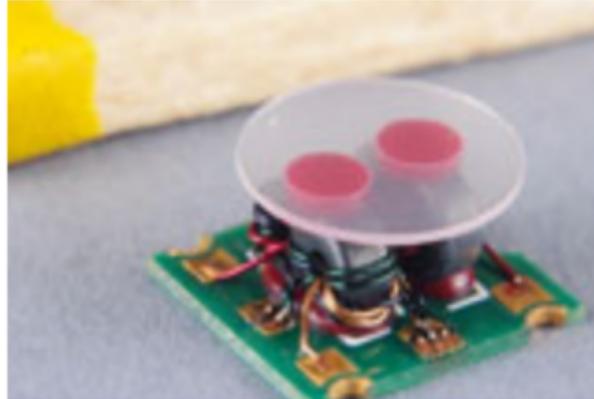
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Oscar Nominees Prepare to Get Political at Academy Awards Luncheon

If today's Oscar luncheon is any indication, expect Oscar night to be one political evening. The annual event, held Monday at the Beverly Hilton, honors the year's class of nominees, including La La



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The U.S. House of Representatives voted on Monday to require law enforcement authorities to obtain a search warrant before seeking old emails from technology companies, a win for privacy advocates

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Autodesk's CEO and 2 Board Members Are Resigning

Software maker Autodesk said on Tuesday that Chief Executive Carl Bass would step down, less than a year after it struck a deal with two activist investors agitating for changes at the company.

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Silicon Valley's All-American Battle Against Trump

With the possible exception of Intel's Super Bowl drones and Lady Gaga, there's only one topic anyone in Silicon Valley is talking about this week. That is President Trump's hastily executed travel

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Ireland Challenges Facebook in What Could Become a Landmark Data Case

Ireland's privacy watchdog has launched a bid to refer Facebook's data transfer mechanism to the European Union's top court in a landmark case that could put the shifting of data

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Want a Smart Home? Here's How to Get Started

In the last few years, the idea of a smart home has become less a lofty sci-fi idea and more an accessible reality. Speakers that control your lightbulbs and front doors, cameras that notify your

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The legal fight over an immigration order by President Trump will escalate on Tuesday, as three appeals court judges hear arguments over whether to reinstate the order, which bans refugees as well as

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