Reducing Racial Wealth Inequalities in Greater Boston: Building a Shared Agenda

Introduction

In 2015, the Federal Reserve Bank of Boston released *The Color of Wealth in Boston* report, which found strikingly high racial wealth disparities in the Boston metropolitan area. The study analyzed data from the National Asset Scorecard for Communities of Color (NASCC) survey, which provides data on assets and debts among subpopulations — according to race, ethnicity, and country of origin — at a granular level of detail otherwise unavailable in public datasets. Although the report sparked dynamic conversations about the importance of focusing on wealth, the large disparities along racial lines, and the crucial role public policy plays in creating or amplifying inequality, we were convinced that simply releasing research was not enough to incite change.

While there has been some progress locally on initiatives that help families build assets, the Boston metro area has a long way to go to reduce racial wealth inequalities and provide opportunities for all. Addressing racial wealth inequality requires multifaceted, complex approaches with sustained participation from different sectors. We wanted to encourage deep conversations among different sectors that could lead to action. For this reason, in fall 2016, the Federal Reserve Bank of Boston convened a cross-sector working group of regional leaders to identify shared priorities and build a shared agenda to reduce racial wealth inequalities. The working group incorporated the expertise of researchers, practitioners, policymakers, and foundations. Through a six-month process of deep learning convened by the Boston Fed and facilitated by external consultant Cynthia Silva Parker, senior associate at the Interaction Institute for Social Change, the working group studied the root causes of racial wealth inequalities, suggested and prioritized possible solutions, and created a shared agenda that is summarized in this document.

It is important to note that the Boston Fed played a convening role in bringing stakeholders together, encouraging candid conversations, and providing research and evidence, but it did not directly influence the working group recommendations presented in this document.

At the Boston Fed we are encouraged to see momentum building to address the urgent challenge of reducing racial wealth inequality. We also know that the solutions are complex, that a combination of short-term actions and long-term solutions are needed, and that communities of color need to be included in the conversation. We are committed to continuing to provide research and bringing together stakeholders to have informed conversations that effect positive change in policy, funding, and practice.

I want to thank the working group members for the time, commitment, and expertise they brought to this experience and for their willingness to continue to fight for equity. A special thanks to Cynthia Silva Parker for her fabulous facilitation and to the writing group, David Bryant, Ginger Haggerty, Mimi Turchinetz, and Esther Schlorholtz, who prepared the summary of the working group findings that is described here.

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Reducing Racial Wealth Inequalities in Greater Boston: Building a Shared Agenda

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Racial Wealth Inequalities in Greater Boston

The narrative of equal opportunity and the American Dream — a sentiment that drives much of the United States' domestic policy and its shared value system — holds that if you work hard, play by the rules, go to school, and earn a degree, you can move up the economic ladder and succeed. This assumption has become an empty promise for too many people in our communities — particularly in our communities of color — who are experiencing something very different from opportunity and access. The disparities around wealth accumulation between communities of color and white Americans are dramatic and only worsening over time.

> *What defines wealth?*
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> Wealth, also called net worth, refers to the resources families have at their disposal to use in case of emergencies or to invest for future gains. Wealth is measured by taking into account the difference between **assets** (liquid assets such as savings and checking accounts, government bonds, and stocks; other financial assets such as retirement accounts; and nonfinancial assets including homes and vehicles) and **liabilities** (mortgages, auto loans, credit card debt, and family loans).

U.S. public debate in recent years has focused on income inequality; however, measuring wealth provides a more complete picture of inequalities than the narrower measure of income. While income is a *flow* that provides a snapshot of a family's resources at a given point in time, wealth reflects the *stock* that a family accumulates over the long term and is often built across generations. Income helps families cover their current needs, but wealth allows them to make investments in homes, in education, and in business creation. Having sufficient income alone does not create stable households. When combined with wealth-building opportunities, it can result in substantial benefits.

The Color of Wealth in Boston makes clear that racial wealth disparities in the Boston metropolitan area[1] are strikingly high. The report found that while it has been common to lump the experiences of all blacks and all Hispanics together, in reality wealth measurements of different groups of blacks and Hispanics — for example, African Americans and Caribbean black immigrants, or Puerto Ricans and Dominicans — reveal important differences. Communities of color are driving population growth in Boston and many other areas of the country. Analysis of the causes and consequences of wealth disparities can help identify local and national solutions to address the substantial gap.[2] The color-line disparities are deeply rooted in historical government policies on such issues as school segregation, financial redlining, home-loan subsidies, and voting rights, to name a few. They are also significantly affected by discriminatory access to credit, housing segregation, employment discrimination, poor-quality education, and other conscious and unconscious structural biases in society as a whole. Policies providing incentives for whites to build

[1] The Boston Metropolitan Statistical area comprises seven counties and is home to about 4.7 million people.
[2] See a review of related research in Meschede, T., Hamilton, D., Muñoz, A.P., Jackson, R., & Darity Jr., W. (2016, February). "Wealth Inequalities in Greater Boston: Do race and ethnicity matter?" Community Development Discussion Paper, Federal Reserve Bank of Boston.

wealth and creating barriers for non-whites date back centuries and extend to the present, ranging from deprivation of property during and after slavery[3] to exclusion from the G.I. Bill benefits that built America's middle class[4] to general housing and lending discrimination through restrictive covenants and redlining[5] to targeted predatory lending and racial segregation.[6] These biases in our systems and daily lives help to perpetuate disparities and require more nuanced analysis in order to develop effective wealth-building solutions.

What kinds of wealth do we need to build?

Survival wealth: "I have enough money and assets to survive."

Transformative wealth: "I have enough money and assets to change my situation (e.g., through work or education)."

Democratic or equitable wealth: "We have enough wealth as a community, distributed fairly throughout the population, to build and strengthen democracy."

(John Powell, Haas Institute for a Fair and Inclusive Society)

While there has been some local progress on initiatives to help families build assets, the Boston metro area has a long way to go to reduce racial wealth inequalities and provide opportunities for all. For this reason, the Federal Reserve Bank of Boston convened a working group of local leaders to continue the good work that committed organizations have being leading for years and to connect with other sectors around this urgent issue.

This cross-sector group — comprising 30 people from the public, nonprofit, and private sectors — analyzed the data and conditions of the racial wealth gap, studied historical and structural factors that particularly affect wealth building among people of color in metropolitan Boston, and reviewed possible remedies and strategies to build wealth for people of color, particularly emphasizing those opportunities that affect intergenerational wealth transfer. The group spent approximately six months on the analysis and came to a common understanding and set of recommendations. This document details the thought process and results.

Vision and Strategy

The working group's vision is to reduce racial wealth inequalities in the Greater Boston area through a collaborative strategy shared and advanced by organizations and individuals from the public, private, and nonprofit sectors. The group is committed to changing the societal dynamics and systems that have caused and continue to perpetuate racial wealth inequalities. By analyzing historical and modern causes of the gap through a racial equity lens, we aim to zoom in on the underlying causes that continue to disenfranchise individuals and families that long have been impacted by the systemic racism that pervades our society. This exercise is imperative because of the way wealth is accumulated over time, which implies that the effects of historical causes are transmitted from generation to generation and therefore persist over time.

The group discussed data illustrating the extent of racial wealth inequalities in Greater Boston and investigated national and local-level policies, practices, and initiatives that have been proposed or

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[3] Darity Jr., W. (2008). Forty acres and a mule in the 21st century. *Social Science Quarterly*, 89(3).

[4] Katznelson, I. (2005). *When affirmative action was white: An untold history of racial inequality in twentieth-century America.* New York, NY: W.W. Norton & Co.

[5] Lui, M., Robles, B., Leondar-Wright, B., Brewer, R., & Adamson, R. (2005). *The color of wealth: The story behind the U.S. racial wealth divide.* New York, NY: The New Press.

[6] Rugh, J. S., & Massey, D. S. (2010). Racial segregation and the American foreclosure crisis. *American Sociological Review*, 75(5), 629-651.

implemented to address racial wealth inequality. Over a six-month period, the group analyzed and discussed drivers, possible solutions, and current opportunities. We strove to develop a shared vision for how to tackle this crisis and sought to agree on a high-level strategy to address racial wealth inequality in the Boston area.

The following objectives were used to determine the working group's composition and guide its deliberations about policies, approaches, or initiatives that would reduce racial wealth inequalities:

- Incorporate the expertise of different sectors (including researchers, practitioners, policymakers, and foundations)
- Include the views of individuals who have a clear understanding of the challenges and opportunities communities of color face
- Focus on the state and local levels (drawing from an overview of what is happening at the national level)
- Focus on reducing racial wealth inequality

Racial Equity Framework

Throughout U.S. history, economic realities for white Americans and Americans of color have always been starkly different. As the divisions of the past have carried forward unrectified, the issues today have only become more complicated in a country with a growing immigrant population, an expanding wealth inequality, and persistent racial inequality for African Americans, Latinos, Asian Americans, and other people of color.

The struggle for real economic justice for everyone must be anchored by an understanding of the racial realities of our growing wealth inequality and a willingness to look systematically at why racial inequality persists. The working group committed to applying a racial equity lens to our work from the very outset. Many tools have been developed to help organizations and individuals better understand this concept.

> *Racial Equity Resources and Tools*
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> Racial Equity Tools website
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> *Racial Equity Toolkit*, Government Alliance on Race and Equity
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> *Government Boosts and Blocks to Building Wealth* timeline, United for a Fair Economy
>
> *Wealth Inequality in America* video

We envision changes in systems and norms to dramatically improve the living conditions for a considerable segment of our population and meaningfully narrow and ultimately close racial wealth inequalities in Greater Boston. This considerable endeavor requires an early, clear-eyed examination of how history and exclusion have diminished opportunities for African Americans and many other people of color. Further, our work centers on an acknowledgement that the continued failure to intentionally recognize and seek a better understanding of the unique challenges and needs of different groups of people will inevitably nurture more missed opportunities and hinder effective solutions.

In working to develop new systems to counter structural racism, we recognized that racism and inequity are solidified within the existing systems we wish to repair. Therefore, a realignment of the existing counterproductive processes and a reframing of the persistently false narrative around racial wealth inequalities emerged as essential strategies to drive effective, lasting change. We identified the need for change across many areas that have contributed to racial wealth inequalities (e.g., housing, education, health, and quality jobs). We also agreed to narrow down the focus to fewer but more targeted and effective solutions.

The Group's Findings

After six months of deliberative study and a collective vetting process, the group identified five key areas where policies and programs, if effectively implemented, funded, and supported over time, could have a dramatic impact on the disparities of wealth for communities of color. Although we recognized that reversing racial wealth inequalities require efforts that address issues from cradle-to-grave, we felt obligated to identify an agenda that was doable and for which we could advocate in a systematic way. Therefore, our findings and strategies are not exhaustive. Still, we believe these strategies could remedy many of the longstanding racial disparities that public policy choices have exacerbated and sustained. The collaborative strategy includes in-depth analyses of proposed solutions divided into short-, mid-, and long-term impact categories. By including a range of policy and programmatic solutions, we aim to address racial wealth inequalities today with strategies and proposals that also reach into the long term. To assure that we give due diligence to the complex systems that contribute to racial wealth inequalities, we created five areas to outline our framework: assets, credit and debt; housing; worker justice and local economy; and education. Through these areas, we explored policies and programs that could impact the gap and increase racial equity across the Greater Boston landscape. We also identified four cross-sectional themes that capture the root causes of racial wealth inequalities: the importance of the intergenerational transfer of wealth, internalized and institutional racism, the imbalance of power, and geographic segregation.

Key Readings on the Racial Wealth Gap

"From a Tangle of Pathology to a Race-Fair America," Dissent magazine

Laying the Groundwork for National Prosperity: The Imperative of Closing the Racial Wealth Gap, Insight Center for Community Economic Development

A Policy Agenda for Closing the Racial Wealth Gap, Center for Global Policy Solutions

The Racial Wealth Gap: Why Policy Matters, Demos

Umbrellas Don't Make it Rain: Why Studying and Working Hard Isn't Enough for Black Americans, Insight Center for Community Development

Bootstraps are for Black Kids: Race, Wealth, and the Impact of Intergenerational Transfers on Adult Outcomes, Insight Center for Community Development

Assets, Credit, and Debt

Having liquid assets is key to helping families face financial shocks and weather emergencies. At the same time, long-term savings are essential to allow families to make investments for the future. The data show that African Americans and Latinos are significantly further behind their white counterparts in measures of assets, credit, and debt. The level of income disparity in Boston is closely related to these divisions, as it dramatically impacts the financial choices and opportunities of residents. Boston-specific data from CFED's Family Assets Count released in 2014[7] showed that 46% of Bostonians are financially vulnerable and liquid-asset poor, meaning they do not have enough savings to cover basic expenses for three months if they experience a sudden job loss, a medical emergency, or another financial crisis leading to a loss of stable income. Sixty-nine percent of African American households and a staggering 75% of Latino households are liquid-asset poor. *The Color of Wealth in Boston* study indicated that the

[7] Family Assets Count is a project of CFED in partnership with Citi Community Development and the Midas Collaborative. *Financial insecurity in Boston: A data profile*. (2014).

typical white household in Boston is more likely than nonwhite households to own every type of liquid asset. For example, close to half of Puerto Ricans and a quarter of U.S.-born blacks are unbanked, compared with only 7% of whites. For every dollar the typical white household has in liquid assets (excluding cash), Caribbean blacks have 14 cents, U.S. blacks have two cents, and Puerto Ricans and Dominicans have less than one cent.

Assets are best built over time to leverage the power of compounding interest. We analyzed several potential strategies to address the lack of assets and identified the following as promising areas of work to build short-term assets: credit building, including alternative ways of building credit history;[8] expanding the Earned Income Tax Credit (EITC); and reforming asset tests. For long-term asset development, we found the most promising solution to be universal savings accounts.

One particularly promising example is the baby bonds[9] policy proposal suggested by professors Darrick Hamilton and William A. Darity. Baby bonds are child trust accounts designed to provide an opportunity for asset development for all newborns regardless of the financial position in which they are born. The baby bonds would set up trusts for all newborns, with an average account of $20,000 for babies born into the poorest families. The accounts would be federally managed and would be accessible when the child becomes an adult to be used for asset-enhancing endeavors such as purchasing a home or starting a new business. This would address one of the main causes of racial wealth inequality: the intergenerational transfer of wealth.

The group also looked into children's savings accounts (CSAs),[10] which are long-term asset-building accounts established for children as early as birth and allowed to grow over their lifetime. Typically, at age 18, the savings in CSAs are used (in most cases) to pay for higher education.

Housing Investment: Expanding Homeownership Opportunities

The working group believes that the best housing strategy for narrowing racial wealth inequalities in Greater Boston will be to provide greater homeownership opportunities to sustain wealth creation and wealth accumulation for decades to come. It has been well documented over the last 70 years that homeownership has many positive impacts on families and communities and has been a vital tool to help families build and share wealth across generations. Homeownership also helped millions of American families move up the economic ladder, but many families of color have long been precluded from

[8] Access to credit is a cornerstone of financial security and an important asset-building tool. Millions of low-income individuals lack credit scores or have "thin files" (credit records without a score because of insufficient information). This CFED brief argues that the use of alternative data (utility and mobile phone bills) helps families build credit and wealth: Greer, J. & Levin, E. (2014, April). *Alternative data helps families build credit and wealth*.

[9] For details about baby bonds see Aja, A., Bustillo, D., Darity Jr., W., & Hamilton, D. (2014, summer). "From a tangle of pathology to a race-fair America." *Dissent.* "An analysis of this ambitious policy suggests it could have a profound effect on the racial wealth gap among young adult households. Depending on funding and participation, these accounts could reduce the racial wealth gap by about 20 to 80%, while raising the wealth levels of all groups. While costly, this investment in children could reduce dependence on public benefits, increase consumer buying power, boost investment in businesses and homes — and move our country to greater equity." (Annie E. Casey Foundation. (2016, January). *Investing in tomorrow: Helping families build savings and assets*.)

[10] CSAs are seeded with an initial deposit and are augmented by savings matches and/or other incentives. All six New England states have adopted or are currently considering adopting CSAs. Last year the City of Boston launched Boston Saves, a three-year CSA pilot program that is slated to reach full expansion to all K2 kindergartners in Boston public or charter schools by 2020. In 2016, the state of Massachusetts launched SeedMA, a pilot CSA program that currently provides kindergarten students in the Worcester and Monson Public School Systems with an initial $50 deposit to establish a Massachusetts 529 college savings account.

building home equity through homeownership because of redlining, mortgage discrimination, predatory lending, and residential segregation. Over time, government policies have boosted white families' assets, mainly through facilitating homeownership, while excluding families of color from the same advantage. The long-term effects of such practices are clear when one considers that the majority of whites in Greater Boston own a home, while only half of Caribbean blacks, one-third of U.S. blacks, and less than one-fifth of Dominicans and Puerto Ricans in the metro area are homeowners.

There are many historical antecedents and contemporary challenges to address if we really want to drive expanded homeownership opportunities for all groups in Greater Boston. Our best housing strategy to narrow racial wealth inequalities is to create and advocate for more supportive resources to leverage new homeownership opportunities. Certain types of reform to the secondary mortgage market could be an avenue for increased homeownership in communities of color. A number of banks in Greater Boston conduct Community Reinvestment Act (CRA) lending at slightly below-market interest rates or offer other favorable terms in order to help create wealth in communities of color and low-income communities by allowing households to enter the homeownership market. For example, in Massachusetts the One Mortgage program has had 19,000 borrower participants to date and these loans have performed well, even through financial crisis. Yet these loans are almost entirely held in the banks' portfolios, which over time ties up more of the cash resources from which additional lending would otherwise be done, and lenders participating in the One Mortgage program report being unable to sell the loan assets in the secondary market. A significant reform in the secondary market, then, would be for Fannie Mae and Freddie Mac to purchase these loans, encouraging Fannie and Freddie to partner with banks in CRA lending and be active participants in creating wealth.

In addition, housing advocates are actively fighting to eliminate exclusionary zoning practices, such as requirements for large lots and the prioritization of single-family homes over zoning that permits multifamily housing development in cities and towns across our region. Likewise, an alliance of community developers, housing developers, regional planners, education advocates, and transit-oriented development and smart-growth practitioners formed a coalition to push for comprehensive, statewide changes to zoning code while incorporating planning for growth and housing-production goals. This state-level legislation is vital to providing adequate levels of housing for our growing regional workforce and to alleviating the pressure that gentrification places on many Greater Boston communities, where thousands of low- and middle-income families already have been displaced from what had been historic working-class neighborhoods of color.

Worker Justice and Local Economy

To build wealth, people need access to higher-wage employment opportunities that can provide them with enough earnings to cover more than just the bare essentials. The lack of quality jobs exacerbates racial wealth inequalities, as people of color are disproportionately employed in low- and middle-wage jobs. As laid out by the working group, what are currently very low-wage jobs could be converted to better-paying ones through raising the minimum wage and supporting unionizing, collective bargaining, and employer-sponsored benefits.

As of January 1, 2017, the minimum hourly wage in Massachusetts increased to $11.00. Continuing to increase the minimum wage and change our goal to a "living wage" that allows workers to truly cover their household needs and expenses would have a positive impact on the livelihoods of low-wage workers, enabling them to receive fair returns for their productivity, adequately meet their needs, and possibly allow them to save and invest for the future. This change can come either through the state legislature, as it did in 2014, or through community-sponsored ballot measures. Parallel efforts to change the narrative around income to support those working toward a living wage are ongoing.[11]

Worker justice is an important piece of supporting the creation and ongoing assurance of quality jobs. One-third of the rise of wage inequality among men, and one-fifth among women, can be tied to the decline in collective bargaining. Opportunities to unionize, and in turn to bargain collectively, help workers to secure more benefits and higher wages overall. Importantly, unionizing opportunities must include workers of color, who were historically excluded from collective-bargaining benefits. It is important to recognize how the unequal power between workers and employers affects job quality and to consider solutions that would level the playing field.

Quality jobs consist of more components than just a living wage and the ability to collectively bargain. Benefits are a key component to the quality and longevity of work and, more importantly, employer-sponsored benefits can be a strong connector between the general well-being of employees and their employers. Three of these cornerstone benefits are employer-provided healthcare, retirement plans, and paid time off. In conjunction with a living wage, benefits can help decrease racial wealth inequalities by minimizing out-of-pocket costs for emergencies, increasing savings for retirement, and improving employees' overall mental well-being because they feel secure in their jobs and can cope with medical or family emergencies.

While Massachusetts has the highest rate of medically insured individuals in the country, this still does not address the substantial medical costs draining funds from low- and middle-income families who do not have the extra income to make up the difference. People of color are also more likely to be uninsured and are often forced to pay higher out-of-pocket costs when they do utilize services. With employer-sponsored healthcare, the benefit of splitting the premium costs with the employer means that working families and individuals are able to keep more of their hard-earned money in their pockets.

Algernon Austin argues, "Local governments, with community input, should create projects to improve the human and physical infrastructure, safety, health, and attractiveness of the community. Many African American communities experiencing persistently high unemployment need workers to clean, rehabilitate, and beautify the housing stock and green spaces; assist in the education of children; form auxiliaries to the police to help improve the safety of the community; and participate in many other community projects."[12] This may be another opportunity to expand quality employment to communities of color while also improving and building pride in the neighborhoods themselves.

Education

Quality education is critical to preparing all children, regardless of income, class, or race, to take advantage of economic and social opportunities to reach their potential and become productive members of society. However, many children living in lower-income communities are severely disadvantaged right from the start because local property taxes are the primary source of funding for K-12 education in the

[11] The Federal Reserve Bank of Boston is committed both to understanding the sources of low wages and low-quality jobs and to considering policy remedies and work on this from the research and outreach perspective in the next three years.

[12] Algernon A. (2001, December 14). A jobs-centered approach to African American community development. Economic Policy Institute. http://www.epi.org/publication/bp328-african-american-unemployment/.

United States. This creates structural inequalities between wealthy and poor communities, many of which are increasingly segregated by race and income, and in places where there is notable overlap between communities of color and lower-income communities. The wealthier the community, the whiter it tends to be, while poorer communities tend to have larger populations of people of color with a wide variety of family educational background, language, and cultural capabilities.

Structural inequalities persist in the form of higher property values in wealthier communities, with greater tax revenues generated to support quality education and other services. Resource gaps mean under-resourced school facilities and programming fall within poorer communities, which in turn has direct negative results on students. Owing to these opportunity gaps, poorer communities experience lower achievement levels and have higher suspension rates, more failing schools, and larger gaps in graduation rates. Children in poorer communities often lack preschool access, experienced teachers, guidance counselors, and extracurricular activities; have older textbooks and lower-quality computer and science equipment; and have poorer access to libraries and librarians, athletic programs, and other important educational resources. Poorer households tend to have parents with lower levels of academic attainment and, as a parent's educational attainment correlates closely to the academic success of their children, students in poorer communities are additionally disadvantaged. Moreover, a variety of linguistic and cultural differences can result in barriers to successful educational experiences, especially if insufficient resources are available to overcome these.

Quality childcare and K-12 education is critical to children's ability to access higher education, creating further roadblocks down the line to future jobs, better wages, and access to communities of higher opportunity. Lower levels of academic achievement and fewer resources during the K-12 years strongly affect access to higher education and correlate with significantly lower graduation rates. Further, the high cost of college results in reduced access to higher education, higher student loans, and lower wages for these students' entire careers. All this combines to widen the gap between rich and poor and between whites and people of color, perpetuating more segregated and under-resourced communities and contributing to intergenerational cycles of poverty and lack of opportunity to build wealth.

We identified the following as priorities in the area of education: provide equitable funding for schools; provide strong pre-K education and support; address institutional racism in schools; and develop strong school-to-career pipelines.

Agreements and Next Steps

Working group members expressed a desire from the very beginning to translate what we would learn through the working group experience into tangible action that contributes to reducing racial wealth inequalities. In that spirit, we identified a set of high-priority strategies that we believe will make a contribution. We identified one critical area where no current work is underway and new action could be organized, several directly related ongoing efforts to which we could lend our support, and ongoing efforts that are not explicitly focused on racial wealth inequalities to which we could bring a deeper awareness of the problem. Below, each set of strategies is briefly described.

1. Develop a communications strategy to change the narrative around racial wealth inequalities and promote solutions to unearth and address root causes

The group sees a need to develop a communications and influence strategy to inform legislators, activists, business leaders, and the general public as a necessary precursor to direct work to advance bold policy solutions. Changing the narrative about the causes of racial wealth inequality is a necessary precursor to gaining support for bold policies that would get at the root of the problem. Changing the narrative includes public awareness of how government-sponsored and -funded policies supported wealth building for white families while excluding families of color and how the cumulative consequences of such policies are reflected in today's racial wealth divide. It also includes debunking some myths indicating that if only individuals of color "studied hard and worked hard," racial wealth inequalities would be reduced. Education and jobs won't be enough if the intergenerational transfer of wealth — one of the root causes and biggest drivers of racial wealth inequalities — is not addressed. For example, the Baby Bonds initiative appears to be a promising way to get at the root causes of the racial wealth inequalities: the intergenerational transfer of wealth. It will be important, however, to think about how such a proposal could be implemented on the local level.

An initial step in building this strategy has emerged: convene a working session on narrative change strategies to share emerging knowledge about what it takes to build support for race-conscious analysis and solutions and to build an ongoing network of practitioners who are working on these issues.

2. Bring a racial wealth inequality lens to existing actions

The group identified several ongoing issue campaigns and areas of programming that could contribute to reducing racial wealth inequalities if they placed an explicit focus on the racial wealth divide itself. Without such a lens, universal strategies often unintentionally leave people of color behind or even exacerbate racial disparities. We acknowledged a need to further equip our colleagues with a wealth-equity lens that could be applied to existing organizational or collaborative work on topics such as the following:

- EITC expansion
- Reforming asset tests for social safety-net programs
- Housing, land use, and zoning reform
- Quality jobs, including related issues of criminal justice/CORI reform
- Educational equity and addressing institutional racism in schools
- School-to-career pipeline programs
- Children's savings accounts

We agreed to bring our newfound knowledge back into our own ongoing work, but we also acknowledged a need for more knowledge and tools to help introduce this lens to organizational partners and community members. An initial next step in this area is to convene a team to identify and gather existing resources and to identify important gaps. A proposal then will be developed to describe how to use and train others to use existing tools and to develop additional tools and practices.

3. Sign on to existing efforts focused on addressing elements of racial wealth inequalities

We recognize that many efforts are underway to address factors contributing to racial disparities in wealth. We agreed to sign on in support of these efforts as appropriate on an ongoing basis. They include the following:

- Boston Alliance for Racial Equity (focusing on racial equity across multiple issue areas)

- City of Boston Racial Equity and Resilience Strategy (focusing on infrastructure, wealth, psychological resilience, community governance and city services, and policy and practice in government)
- Gentrification Learning Community (which named addressing the racial wealth gap as one of its top five strategy areas to address gentrification)
- Changing the Economic Narrative (a partnership of New England Blacks in Philanthropy, Metropolitan Economic Development Association, and the Haas Institute)
- Black Economic Council of Massachusetts (focusing statewide on entrepreneurship, opportunities for contracting, and creating metrics to track progress)
- United for a Fair Economy's efforts (focusing on the intersection between the racial wealth gap and the Movement for Black Lives)
- The Hyams Foundation recently announced a new strategic plan focusing its grant-making and policy-changing strategies on disrupting the school-to-prison pipeline, expanding fair wages and employment, and reforming and adopting institutional policies to advance equitable housing access, among other things. The foundation will also allocate its non-grant resources toward the broad goal of dismantling persistent racialized economic disparities in Boston and Chelsea.

The next step to support this set of actions is to facilitate ongoing communication so that working group members can connect with these efforts and support their public campaigns, actions, and events.

4. Create an ongoing network

In order to facilitate communication and secure resources to sustain the efforts above, the group agreed to create a network that would link working group members with others who are advancing elements of the solution. The next steps for weaving the network will be to convene the volunteers who stepped up in the last working group session and identify resources (their own and others') and a strategy to move forward. Given the complex factors contributing to the creation and persistence of the racial wealth gap, we acknowledge the importance of pursuing a multifaceted set of solutions and building a network that is strong enough to support the necessary range of actions.

Work group participants

Affiliations listed for identification purposes only. Several affiliations changed during the process.

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