

AN African-American Perspective

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The Black - White Money Gap

STUDY: WEALTH GAP BETWEEN BLACKS AND WHITES HAS QUADRUPLED,
The Wilmington Journal
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FROM TARGET MARKET NEWS

The wealth gap between white and African-American families increased more than four times between 1984-2007, and middle-income white households now own far more wealth than high-income African Americans, according to an analysis released last week by the Institute on Assets and Social Policy (IASP) at Brandeis University.

IASP, in a research brief, also reported that many African Americans hold more debt than assets and at least 25 percent of African-American families had no assets to turn to in times of economic hardship. The fourfold increase in the wealth gap, it said, reflects public policies, such as tax cuts on investment income and inheritances, which benefit the wealthiest and persistent discrimination in housing, credit and labor markets.

"Our study shows a broken chain of achievement. Even when African Americans do everything right -- get an education and work hard at well-paying jobs -- they cannot achieve the wealth of their white peers in the workforce, and that translates into very different life chances," said Thomas Shapiro, IASP director and co-author of the research brief.

"A U-turn is needed. Public policies have and continue to play a major role in creating and sustaining the racial wealth gap, and they must play a role in closing it," said Shapiro, author of *The Hidden Cost of Being African American: How Wealth Perpetuates Inequality* and the co-author of *Black Wealth/White Wealth*.

Wealth, what you own minus what you owe, allows people to start a business, buy a home, send children to college and ensure an economically secure retirement. Using economic data from the same national-



representative set of families from 1984 to 2007, the IASP analysis found that the real wealth gains and losses over the time demonstrate an escalating racial gap.

Over those 23 years, it said, the racial wealth gap increased by \$75,000 from \$20,000 to \$95,000. Financial assets, excluding home equity, among white families grew from a median value of \$22,000 to \$100,000 during that period while African Americans saw very little increase in assets in real dollars and had a median wealth of \$5,000 in 2007.

Summing up all assets and debt, one in 10 African Americans owed at least \$3,600 in 2007, nearly doubling their debt burden in real terms since 1984, IASP said.

The growth of the racial wealth gap significantly affects the economic future of American families, it said. The current gap is so large that it would pay tuition at a four-year public university for two children, purchase or make a solid down payment on a house, or provide a nest egg to draw upon in times of job loss or crisis.

"The gap is opportunity denied and assures racial economic inequality for the next generation," said Tatjana Meschede, a co-author of the policy brief.

Notably, IASP's analysis found that by 2007, the average middle-income white household had accumulated \$74,000 in wealth, an increase of \$55,000 over the 23-year period, while the average high-income African-American family owned \$18,000, a drop of \$7,000. That resulted in a wealth gap of \$56,000 for an African-American family that earned more than \$50,000 in 1984 compared to a white family earning about \$30,000 that same year.

Those figures, IASP said, make it clear that higher income alone will not lead to increased wealth, security and economic mobility for African Americans.

Consumers of color face a gauntlet of barriers -- in credit, housing and taxes -- that dramatically reduce the chances of economic mobility, it said.

Indeed, the data indicate that the general trend in lending, in which consumers of color pay more for accessing credit, increases their debt and blocks opportunities to move forward, putting them at a severe economic disadvantage.

These are concerns that must be addressed through the creation of a Consumer Financial Protection

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Agency, now being debated in Congress, and other policy changes, IASP said.

The data suggests we need renewed attention to public policies that provide real opportunities for advancement by reducing barriers to mobility inherent in our tax system and increasing transparency, regulation and access in our housing and credit markets," said Laura Sullivan, another co-author.

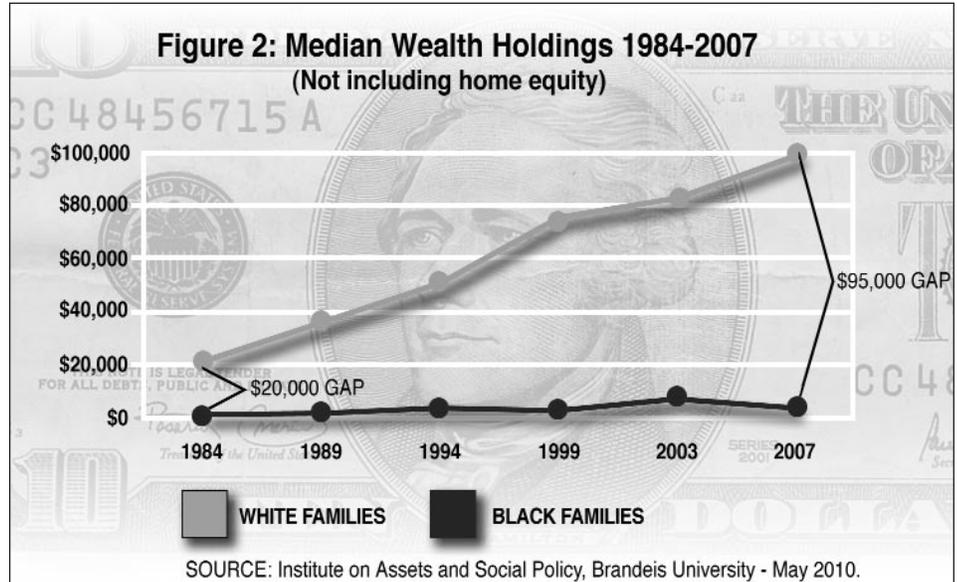
Several factors help explain why improving targeted public policies would reduce the racial wealth gap and lessen the increased reliance on debt. One factor is that over the period studied there was an increasing dependence on credit markets to make ends meet. Among those with no financial assets, credit is often an emergency resource to help cover a job loss or medical emergency.

A second factor is that deregulation of the lending market brought a proliferation of high-cost credit, including securitized subprime and predatory loans, payday lending and check-cashing stores. Consumers of color were targeted in this market and resorted more frequently to credit cards and other forms of high-cost debt in the absence of assets or extended family resources to draw upon.

The data make a critical contribution to the debate today about how to ensure greater economic security and opportunity for all our citizens. A racial wealth gap affects all of us because it means that a large portion of the population cannot contribute to building the wealth and strength of our nation, and that is a drain on us all," said Meizhu Lui, director of the Insight Center for Community Economic Development's "Closing the Racial Wealth Gap Initiative."

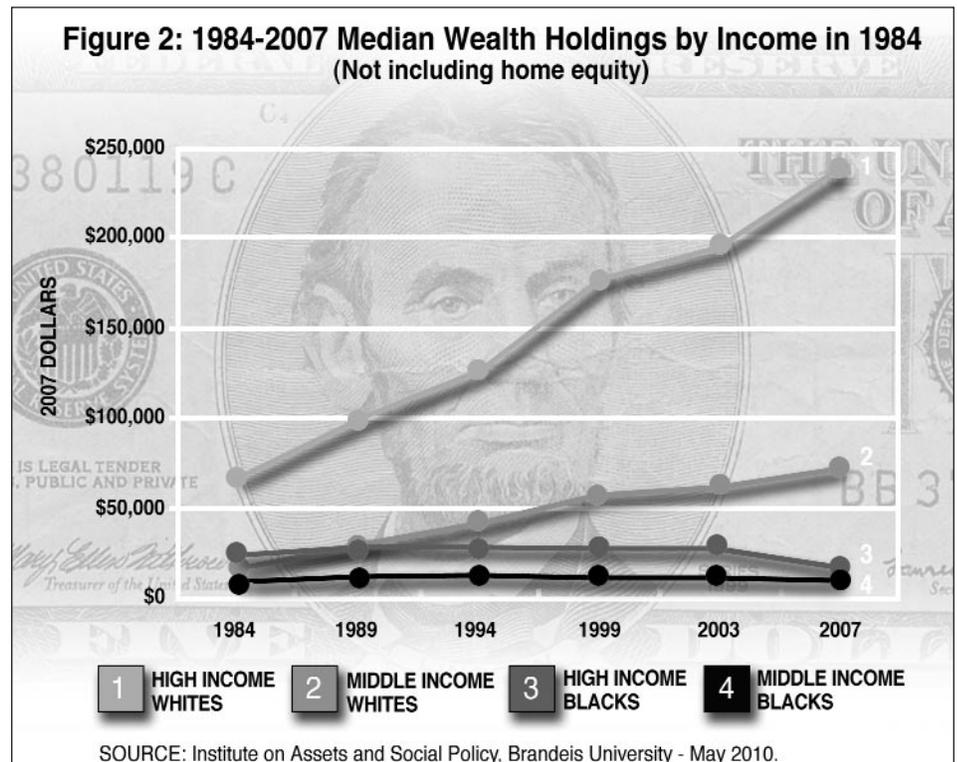
The Institute on Assets and Social Policy is a research institute at the Heller School for Social Policy and Management at Brandeis University dedicated to promoting a better understanding of how assets and asset-building opportunities improve the well-being and financial stability of individuals and families left out of the economic mainstream. IASP pursues its mission through original research, policy analysis, program evaluation, technical assistance, community engagement, organizational capacity building, and leadership development. For more information, visit: <http://iasp.brandeis.edu>.

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Key Findings of IASP Report - Following the financial trajectories of the same cohort of families between 1984 and 2007: The wealth gap between whites and African Americans increased more than 4 times, from \$20,000 to \$95,000. Middle income white households had greater gains in financial assets than high income African Americans; by 2007, they had accumulated \$74,000, whereas the average high income African family owned only \$18,000. In 2007, one in ten African Americans owed at least \$3,600, almost doubling their debt burden since 1984. At least 25% of African American families had no assets at all to turn to in times of economic hardship.

This research is supported, by the John D. and Catherine T. MacArthur Foundation and funding from the PSID small grant competition from the Survey Research Center at the University of Michigan



The charts above indicate massive gaps of wealth between Whites and Blacks.

Obama's Initiative to Assist Absent Fathers

"We need fathers to realize that responsibility does not end at conception. We need them to realize that what makes you a man is not the ability to have a child - it's the courage to raise one."

President Barack Obama

June 21, 2010, President Obama delivered this father's day message:

Good afternoon, As the father of two young daughters, I know that being a father is one of the most important jobs any man can have.

My own father left my family when I was two years old. I was raised by a heroic mother and wonderful grandparents who provided the support, discipline and love that helped me get to where I am today, but I still felt the weight of that absence throughout my childhood. Its something that leaves a hole no government can fill. Studies show that children who grow up without their fathers around are more likely to drop out of high school, go to jail, or become teen fathers themselves.

And while no government program can fill the role that fathers play for our children, what we can do is try to support fathers who are willing to step up and fulfill their responsibilities as parents, partners and providers. That's why last year I started a nationwide dialogue on fatherhood to tackle the challenge of father absence head on.

In Chicago, the Department of Health and Human Services held a forum with community leaders, fatherhood experts and everyday dads to discuss the importance of responsible fatherhood support programs. In New Hampshire, Secretary of Education Duncan explored the linkages between father absence and educational attainment in children. In Atlanta, Attorney General Holder spoke with fathers in the criminal justice system about ways local reentry organizations, domestic violence groups and fatherhood programs can join together to support ex-offenders and incarcerated individuals who want to be closer to their families and children.

Now we're taking this to the next level. Tomorrow, I'll make an announcement about the next phase of our efforts to help fathers fulfill their responsibilities as parents -- **The President's Fatherhood and Mentoring Initiative. You can learn more at www.fatherhood.gov.**



The First Family: President Barack Obama, First Lady Michelle, and daughters Sasha and Malia. The photo above was circulated on the internet by Black Americans. It is evidence that African-Americans were proud to see an African-American as President of the United States of America.

This Father's Day -- I'm thankful for the opportunity to be a dad to two wonderful daughters. And I'm thankful for all the wonderful fathers, grandfathers, uncles, brothers and friends who are doing their best to make a difference in the lives of a child. Happy Father's Day.

Sincerely,
President Barack Obama

President Obama has been one of our nation's leaders on issues related to responsible fatherhood. The President knows firsthand the power that fathers can have in the lives of their children, and the challenges families and communities face without committed fathers.

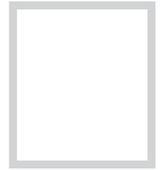
For these reasons, President Obama has started a National Conversation on Responsible Fatherhood and Strong Communities and made the issue of fatherhood and at-risk youth one of the Office of Faith-Based and Neighborhood Partnerships' four key priorities. The Office of Faith-based and

Neighborhood Partnerships is helping to coordinate the Federal Government's fatherhood policy, and has launched a national fatherhood tour to hear directly from local communities about how we can come together to encourage personal responsibility and strengthen our nation's families.

Additional resources:

- Fatherhood.gov
- [Federal Resource Site for Fatherhood Program - <http://fatherhood.hhs.gov/index.shtml>](http://FederalResourceSiteforFatherhoodProgram-http://fatherhood.hhs.gov/index.shtml)

Editor's note: Black wealth and family stability are intertwined. Black fathers must have opportunities for good jobs. And they must learn how to save and invest. Financial guidance is necessary to hand over accumulated wealth to the next generation. President Obama must create an equal playing field for Blacks. And Blacks must plan for a new future of social parity and economic prosperity.



Is Our African-American History Being Hijacked?

Glenn Beck to Hold Tea Party Rally on Anniversary of MLK Speech: How Conservatives Are Trying to Hijack Martin Luther King Jr.'s Dream
Sunday 27 June 2010
by: Devona Walker | AlterNet | Op-Ed

Glenn Beck is exploiting MLK's "I have a Dream" speech. This isn't the first time conservatives have abused King's memory to push an ideology opposed to everything he stood for.

Only a few weeks after whitewashing the entire slave trade by falsely claiming our Founding Fathers were both black and white, Glenn Beck is on another mission: the Fox news host is planning a massive "take our country back" Tea Party rally at the Lincoln Memorial -- on the anniversary of the day Martin Luther King delivered his "I Have a Dream" speech.

Beck's publicity event pulls the rug out from under civil rights champions who planned a rally honoring King's memory on that day, but they are organizing to fight back. "We're going to get together because we are not going to let Glenn Beck own the symbolism of Aug. 28, 2010," said National Urban League President and CEO Marc Morial. "We need to collaborate and bring together all people of good will, not just black people, on Aug. 28 to send a message that Glenn Beck's vision of America is not our vision of America."

In the last years of King's life, he was vilified by

conservative politicians as a communist. He was wiretapped by that nut-job, J. Edgar Hoover. He was followed and his inner circle infiltrated by the FBI. He was Public Enemy Number One in the eyes of conservatives and segregationists. He may now be commodified for church hymnals and

one-dimensional historical interpretations, but let's not forget he was not considered an American hero until after his death.



Glenn Beck.
Controversial talk show host.

During his life, King was, in the eyes of conservative Americans, the enemy. His life was ultimately ripped away from him because he stood up to hate and bigotry, the very thing that still ties the conservative base of the Republican Party together. (I am not claiming all Republicans are bigots. But I am unabashedly saying that bigotry and fear are cornerstones within its conservative base and that rank-and-file Republicans routinely use that bigotry to perpetuate divisions and distrust among the races.)

Beck's absurd appropriation of King's legacy seems shocking, even for a shameless shock jock chasing attention and ratings. But the right wing's trickery when it comes to race, King and African-American history is old hat.

"A group of white males wealthier than their peers called the Tea Party has risen up in the land," said Benjamin Jealous of the NAACP.

"They say that they want to take the country back. And take it back they surely will. They will take it back to 1963 if we let them."

NAACP, instead of holding its tribute to King on Aug. 28 as intended, is now holding a national march for jobs and justice on Oct. 2.

"On the anniversary of the March on Washington, Glenn Beck is going to talk about the dream of Martin Luther King and how he was with them ñ not us. So, we've been traveling all over this country because there is no way in the world that I am going to allow him to have more people there than us. I hope every black person in the country will help us to challenge this," said Rev. Al Sharpton. "Everybody's got to be in Washington. We can't let them hijack Dr. King's dream."

Hijacking King's dream and legacy is exactly what Beck and ultraconservatives have been doing for years and will continue to do as long as they go unchallenged. They will continue to wage this war against U.S. history, against reality, and against everything that reveals the truth -- that they have always been on the wrong side of the war for Civil Rights. That they are fighting to preserve the past -- a past in which many of us, women, minorities and gays -- were not allowed freedoms. And they will do so in the name of freedom, in the name of limited government and in the name of capitalism.

<http://www.truth-out.org/glenn-beck-hold-tea-party-rally-anniversary-mlk-speech60850>