

## **Race at the Forefront in Social and Economic Inequities**

### **Abstract**

Racial wealth inequity between Whites and people of color, particularly Black and Latino Americans, is one of the most pressing social and economic issues in the United States, historically and at present. The magnitude of the racial wealth gap is immense and deeply entrenched, and the scale of racial inequities in wealth has changed very little in recent times. Without radical changes, at the current rate of growth, the wealth gap between Whites, compared to Black and Latino families will be over one million dollars by 2044. Considering the shifting demographics of the U.S., including projections that indicate that the majority of the U.S. population will be composed of people of color by 2040, it is even more critical to investigate different approaches to address racial wealth inequities. This paper aims to provide a historical transdisciplinary understanding of racial wealth inequality. In addition, we highlight key takeaways provided by panelists in the Race at the Forefront in Social Policy section of the Collaboration on Race, Inequality, and Social Mobility in America (CRISMA)'s inaugural conference to light the path forward.

## Introduction

The racial wealth gap, specifically the substantial wealth inequities between Whites and people of color, particularly Black and Latino Americans, is one of the most pressing social and economic issues in the United States, historically and at present. The magnitude of the racial wealth gap is immense and deeply entrenched, and the scale of racial inequities in wealth has changed very little in recent times. According to data from Survey of Consumer Finances (SCF), the racial wealth gap in 2016 was roughly the same it was in 1962, 2 years before the passage of the Civil Rights Act. In 1962, estimates of wealth for the average White household were 7 times that of average Black household. Over 50 years later, the scale of the racial wealth gap remains virtually unchanged as estimates of White households were 6.5 times greater than that of Black households in 2016 (Aliprantis & Carroll, 2019). In another study that examined the racial wealth gap using data from the SCF, Asante-Muhammed et al. (2016) found that from 1983 to 2013, the average wealth of White families grew by 84%, triple the rate of growth for the average Black family. The rate of wealth growth for the average White family was 1.2 times the rate of growth for the average Latino family. Without radical change, at the current rate of growth the wealth divide of Whites to Black and Latino families will be over one million dollars by 2044. Considering the shifting demographics of the U.S., including projections that indicate that the majority of the U.S. population will be composed of people of color by 2040, it is even more critical to investigate different approaches to address racial wealth inequities (Colby & Ortman, 2015). Therefore, it is important to note that U.S. racial wealth inequity is primarily due to unequal distribution of opportunity for economic advancement and mobility in addition to the accumulation of historic disadvantage endured by Black and Latino Americans. This inequity in access to economic opportunity is evidence of a long a history of institutionalized racism

manifested in persistent indicators such as racial residential segregation, comparatively poorer education quality, and lower wages (Oliver & Shapiro, 1995). Wealth inequity is another primary indicator of the cumulative effects of systematic, historical disadvantage.

This paper aims to dive deeply into racial wealth inequality using a transdisciplinary lens. First, documentation of racial and ethnic wealth inequality with the most recent evidence is presented followed by an overview of the structural and historical drivers of racial wealth inequality. We argue that, historically, policies have systematically hindered Black Americans from accumulating assets through discrimination, wealth stripping, and exclusion from economic opportunities. Many state-sponsored opportunities, such as homesteading and homeownership, land acquisition, community building, education, retirement, and pensions were created and embedded with bias for some populations but not for others. Many racial minorities, especially Black Americans, were systematically excluded from those opportunities. Third, a wide range of consequences of wealth inequalities are discussed, including racial disparities in criminal justice contact, financial capability and economic security, health and well-being, child development, and intergenerational mobility. Next, we highlight key takeaways from four panelists in the Race at the Forefront in Social Policy section of the Collaboration on Race, Inequality, and Social Mobility in America's (CRISMA) inaugural conference. We conclude by discussing gaps in the literature and offer recommendations in research, practice, and policy moving forward.

## **Key Terms and Documentations**

**Wealth.** Wealth, often operationalized as net worth, refers to the difference between asset and debt holdings (Carasso & McKernan, 2008). Wealth differs from income, as income presents the monetary flow for a person or household at a given period (e.g. wages, salaries, cash assistance from the government), whereas wealth refers to the stock of assets held by a person or household

at a single point in time. Compared to wealth, income is less stable and fluctuates over the life cycle because of disability, old age, seasonal employment, and job loss (Keister & Moller, 2000; Morduch & Schneider, 2017; Sherraden, 2018).

**Income inequality.** Income varies by racial/ethnic group. According to the Census Bureau's Current Population Survey, for every \$100 in income earned by White families, Black families only earn \$57.30 (U.S. Census Bureau, 2013). Similar to wealth, White families had the highest level of income in 2016, with a median of \$123,400. Median incomes for Black and Hispanic families, however, were only \$35,400 and \$38,500, respectively (U.S. Census Bureau, 2017). To explain the persistent racial income gap, Wilson (1997) focused on structural factors such as deindustrialization, neighborhoods, and schools. Other scholars have focused on factors including racial discrimination in the labor market (Bertrand & Mullainathan, 2004; Michael Gaddis et al., 2014; Pager et al., 2003), and incarceration policies (Neal & Rick, 2014).

**Intergenerational wealth transmission.** Race differences in the transmission of wealth positions across generations account for a large amount of racial wealth inequality. Black children on average receive less intergenerational financial inheritance and are far more likely to be downwardly mobile in household wealth (Pfeffer & Killewald, 2019). Further, intergenerationally, White families are significantly and substantially more likely to provide and receive financial support for education and/or a home purchase, whereas middle-class Black families are significantly more likely to financially support their parents and extended networks, which depletes wealth accumulation capacity (Chiteji & Hamilton, 2005; O'Brien, 2012).

**Homeownership.** In 2017, the homeownership rate for non-Hispanic White householders was 72.3%; by contrast, the homeownership rates for non-Hispanic Blacks and Hispanics were 42.3% and 46.2%, respectively (U.S. Census Bureau, 2017). Furthermore, in addition to

homeownership rates, considerable racial gaps were observed in terms of home equities among homeowners: mean net housing wealth, which refers to the value of the home, less any debts on the home, was \$215,800 for White families but only \$94,400 among Black families and \$129,800 among Hispanic families (Dettling et al., 2017). The prevalence of retirement savings accounts ownership for White families was 60%, double the rate of Black and Hispanic families. Similarly, Black families are half as likely to own a family business compared to White families (Dettling et al., 2017). In addition to racial inequality in asset ownership, racial/ethnic minorities are more vulnerable to asset loss during economic downturns. For example, during the housing crash and Great Recession of 2008, the median White family lost 16% of wealth, whereas the asset loss percentage were 53% for Black families and 66% for Latino families, respectively (Taylor et al., 2011).

**Debt.** On the other hand, notable racial/ethnic difference in debt are observed. Because homeownership rates were higher among White families, a larger share of White families had debt secured by the primary residence than other racial families. Black applicants not only are more likely to be denied for credit but also more likely to be charged higher interest rates than White applicants (Cheng, Lin, & Liu, 2015). Student loan debt also differs by racial/ethnic group: according to Hiltonsmith (2013), the prevalence of student loan holding was 65% for White students and 80% for Black students and Black students had \$4,000 more debt than their White counterparts on average. Burdened with student loans, more Black students have challenges with savings and credit scores because of high debt-to-income ratios and delays in homeownership and equity building (Scott-Clayton & Li, 2016). A college degree, however, does not boost wealth accumulation for Black graduates as it does for White college graduates. One report released by Prosperity Now shows that a typical college-degree holding head of

household for a Black family had only \$37,600 in wealth, whereas a college-degree holding head of household for a White family had \$181,220 in wealth in 2014 (Asante-Muhammad, Collins, Hoxie, & Nieves, 2017). Another study found that a college-degree holding head of household in a Black family had 33% less wealth than White families headed by those with than high school degree (Hamilton, Darity, Price, Sridharan, & Tippett, 2015). Nor can a college degree protect Black families from recessions: From 2007 to 2013, among Blacks, median wealth declined by 60% for college-graduate families versus 37% for families without a college degree, while White and Asian college-headed families fared much better than less-educated families (Emmons & Noeth, 2015). Seamster (2019) argued that White debt and Black debt are conceptually different: “White debt promotes agency and grants opportunities as an investment in an imagined better future. It can serve as an advantage for tax purposes or showing credit worthiness. Black debt, on the other hand, represents the negative balance sheet that must be worked through just to get to the starting line” (p.32).

**Financial access.** In order to accumulate wealth, inclusive financial access is essential to have safe ways to deposit money, keep precautionary savings, invest and generate interest, and access affordable credit and insurance products. However, racial minorities have differential access to structures of opportunity. Substantial differences were observed in credit access by race/ethnicity: According to National Survey of Unbanked and Underbanked Households, in 2017, 36% of Black households and 32% of Hispanic households had no mainstream credit, compared with 14% of White households (Apaam et al., 2018). In 2018, a national survey conducted by Federal Reserve Bank revealed that 85% of White respondents had at least one credit card, whereas 68% and 72% of Black and Hispanic respondents had at least one credit card, respectively (Federal Reserve Board, 2019). Among adults who applied for some form of

credit in 2018, 45% of Black households were denied compared to 18% of White households. In addition, denial rates for Black households were the highest, compared to White households at similar income levels (Federal Reserve Board, 2019). The racial/ethnic gap in financial access is notable for all income levels; Black and Latino households were more likely to be financially excluded, and socioeconomic and demographic characteristics beyond income can account for some of the differences, but not all of them (Apaam et al., 2018). Financially excluded households that lack appropriate and accessible mainstream banking products and credit services tend to turn to alternative financial services (AFS) with higher costs that are sometimes a predatory nature. In 2017, 40% of Black respondents reported using either transaction-based AFS (e.g. money order, check cashier) or credit-based AFS (e.g. payday loan, auto title loan, pawn shop, rent-to-own) in the previous year, compared to 36% of Hispanic and 16% of White respondents in the previous year (Apaam et al., 2018).

### **Historical Origins of Racial/Ethnic Inequities in Wealth**

Significant, deeply entrenched racial wealth inequities persist in the United States. One in five Black households has zero or negative net worth, meaning their total debts were greater than or equal to the amount of total assets; the percentage for White households was significantly smaller—at only 9% (Dettling, Hsu, Jacobs, Moore, & Thompson, 2017). In 2016, White households had the highest level of net worth both in terms of median (\$171,000) and mean (\$933,700); by contrast, Black households had the lowest level of median (\$17,600) and mean (\$138,200) net worth. The median and mean net worth for Hispanic households was \$20,700 and \$191,200, respectively (Dettling et al., 2017).

These wealth inequities are not explained by savings or spending behaviors (Dalton Conley, 1999; Oliver & Shapiro, 1995). Nor are these inequities due to education, income, or

even home ownership (Darity et al., 2018). For example, Darity et al. (2018) estimated that the median household wealth for college-educated White households was \$268,028 compared to just \$70,219 for college-educated African American households. At the bottom of the education spectrum, the median White family with less than a high school diploma still held more wealth (at approximately \$83,000) than the median college-educated African American family (\$70,219). Darity et al. estimated that African American families with less than a high school diploma possess about \$2,775 in wealth. Furthermore, Darity and colleagues found massive racial inequalities in wealth across the income distribution. At the bottom, the median net worth of a White family with a household income less than \$26,580 was estimated to be approximately \$18,361 compared to just \$200 for the median African American family in this income group. It is notable that the median net worth that a middle-income African American family possessed was approximately \$22,150, only about \$3,800 more than the median net worth of White household at the bottom of the income distribution. At the top of the income distribution, for households that earn greater than \$121,968, the median White household had \$518,271 in wealth compared to \$262,800 for the median African American household, a difference of \$255,471. There are also substantial racial inequalities in wealth when considering homeownership. A White household that owns a home possesses an estimated (median) \$239,300 in wealth compared to the median of \$99,840 for an African American home-owning household.

To understand the origins of racial/ethnic wealth inequities in United States, one must start with the country's early origins, including transatlantic slave trade and forced removal of indigenous people from their lands. Historically, people of color have not had equal opportunity to pursue the American dream or to live out the very ideals of the country—life, liberty, and the pursuit of happiness. It is relatively easy to understand how people who were not considered full

citizens or provided the right to own property or engage in voting could not acquire wealth.

Whether historically or contemporarily, few efforts have been made to redress the racist policies and practices that have stratified our society by race and ethnicity.

For example, New Deal era policies are among the most pivotal social and economic policies developed in the history of the U.S. New Deal era policies were developed to address the Great Depression by providing a prominent, comprehensive set of policies geared toward improving the lives of individuals and thereby increasing overall prosperity and access to the American Dream. The New Deal included the establishment of the Social Security Administration as well as the development of the Servicemen's Readjustment Act (G.I. Bill), vital social and economic policies that transformed the U.S. These policies provided insurance for Americans as they grew older, provided a pathway to education and a better quality of life.

One New Deal era policy that was pivotal in the shaping of modern American metropolitan areas and racial residential segregation was low interest, federally backed home loans. Low interest federally backed housing loans instituted during the New Deal allowed a much larger proportion of Americans to buy homes because it reduced the down payment to about 20% of the final price (Katznelson, 2005). Black Americans, however, were systematically denied these low-interest home loans because of redlining practices used by mortgage companies. Redlining is the practice in which banks would not administer loans to certain residential areas in cities, often populated by Blacks. Banks “redlined” neighborhoods that were predominantly minority, refusing to lend to home buyers in these neighborhoods (Oliver & Shapiro, 2006), color-coding maps of entire cities, using red as the color to indicate areas in which banks would not offer home loans.

Furthermore, Federal Housing Authority loans were used widely in the suburbs of major American cities, depopulating and stripping the central cities of employment opportunities and investments in new residential and commercial developments, along with straining the capacity of city services (Lin et al., 2006). Federally guaranteed home mortgages, which offered opportunities to purchase newer, more expansive homes in the suburbs were cheaper than renting apartments in central cities. An investigation of the development and implementation of these policies reveals that people of color, particularly African Americans, were systematically excluded from participation in and the benefiting from these transformative policies. Such discriminatory policies and practices have had a direct, damaging impact on the communities in which Blacks reside as homes located in predominantly White neighborhoods are, on average, worth substantially more than homes in predominately Black neighborhoods (Charles, Dinwiddie, & Massey, 2004).

Systematic, racist exclusions in the administration of New Deal era policies created and reinforced patterns of racial residential segregation in the U.S. Specifically, this patterning resulted in highly disadvantaged, predominately minority neighborhoods in many central cities in the U.S. This patterning included the perceptions of which communities are more desirable and provided the lines of demarcation for economic investment and disinvestment in addition to the placement of this patterning affected the availability of health-promoting resources such as high-quality schools.

### **Consequences of Wealth Inequality**

#### **Criminal Justice Contact**

A great deal of the economic inequality that exists, particularly within communities of color, is also due to the disproportionate minority contact with the criminal justice system. While

U.S. crime rates have steadily declined over the past few decades, the reliance on the criminal justice system has continued to increase, with minority communities most impacted (Epperson, Pettus-Davis, Grier, & Sawh, 2018; Lofstrom & Raphael, 2016; U.S. Department of Justice, 2018). Criminal justice contact presents a host of economic challenges that can worsen circumstances for individuals of color. The economic costs of incarceration are profound and range from an inability to access employment because of a criminal record to an inability to pay cash bail. Individuals reentering society from incarceration face myriad barriers, from housing (Roman & Travis, 2004) to employment (Pager, 2003). While communities of color continue to have higher levels of police presence (Fratello, Rengifo, & Trone, 2013), studies have also shown that individuals of color are targeted by law enforcement at higher levels than White individuals in terms of arrests (Beckett, 2012) and during routine traffic stops (Davis, Whyde & Langton, 2018), even in predominantly White neighborhoods (Meehan & Ponder, 2002).

A large body of research also shows how racial disparities play out across various stages of the criminal justice system, with studies showing a higher likelihood of detainment and prosecution of Blacks and Latinos compared to Whites for similar offenses (Beckett, 2012; Kutateladze, Andiloro, Johnson, & Spohn, 2014). Moreover, “examinations of case processing over time also demonstrate that racial disparities in the justice system are cumulative” (Mauer, 2011). While recent efforts around cash bail have gained momentum in some jurisdictions across the nation (Stevenson, 2018; Patrick, 2019), the use of cash bail is still in effect in most places, creating a particularly challenging economic burden for many who are simply unable to pay exorbitant bail fees in exchange for their freedom. Not only does incarceration impact the individual, it affects the larger family system and community. For example, when a loved one is removed from the home, that financial line of support essentially disappears, creating greater

stress and burden on the remaining family unit. Often, incarcerated parents were employed full- or part-time before being detained, with fathers being the primary earners in the household (Travis, Cincotta McBride, & Solomon, 2005).

Additionally, during the reentry process into the community after incarceration, punishment continues as most government assistance is no longer accessible (Epperson & Pettus-Davis, 2017) and employment opportunities are limited for individuals with a criminal history (Cox, 2012; Epperson & Pettus-Davis, 2017; The Pew Charitable Trusts, 2010). In her seminal experimental audit study, Pager (2003) found a direct causal relationship between criminal justice contact and barriers to employment, finding that a criminal history stratified groups, with Blacks in particular being less likely to be considered by employers compared to Whites. In recent years, advocates for criminal justice system reform have pushed for *decarceration* aimed at reducing our reliance on the criminal justice system (Epperson & Pettus-Davis, 2017; American Academy of Social Work & Social Welfare (AASWSW), 2018; Epperson et al., 2018). Yet, the adverse collateral effects of criminal justice contact continue to persist at the individual and community level particularly for communities of color.

### **Financial Capability and Economic Security**

Instead of monetary flow at a given period, assets are a stock of economic resources that individuals and families hold over time, which represents control and ownership of resources (Shapiro, 2006). Assets can not only generate returns as investments, but also can be considered as future income and can serve as cushion against unexpected emergencies such as job loss, illness, income fluctuation due to seasonal employment, and security for retirement. Evidence shows that households with limited liquid assets and affordable credit are more likely to have difficulty in making ends meet, experience food insecurity, and economic hardships, (e.g.

skipping rent, bills, prescriptions, dental care, and medical care due to financial challenges and bank overdraft, and credit card applications being turned down), and reliance on high-cost AFS (Despard, Perantie, Luo, Oliphant, & Grinstein-Weiss, 2015; Gjertson, 2016; Lusardi, Schneider, & Tufano, 2011).

## **Health and Well-Being**

Moreover, lack of assets is an indication of poor financial health, which not only jeopardizes individual and families' economic well-being but also have negative effects on physical health and psychological well-being. It is well known that one of the strongest predictors of health is socioeconomic position (SEP), so much so that it is considered as fundamental cause of disease and health disparities (Link & Phelan, 1995; Phelan, Link, & Tehranifar, 2010). The most common measurement of SEP is income, education, and occupational status, and each measurement has its pros and cons (Williams & Collins, 1995). In addition, Williams and Collins (1995) suggested that permanent income or wealth may be a better measurement of economic status than annual household income given how volatile household income can be. Despite the consensus that SEP is complex and multifactorial, most health studies that considered SEP used a single socioeconomic variable measured at a single period and level or included SEP variables without justification for selecting a given measure over others (Braveman et al., 2005). Researchers have documented how wealth, as one SEP indicators, is linked with a wide variety of health-related outcomes in population-based samples (Braveman et al., 2005; Cubbin et al., 2011; Pollack et al., 2007; Smith & Kington, 1997). Studies generally found positive associations between wealth and health, even after adjusting for other socioeconomic factors, such as income and education.

## **Child Development and Intergenerational Mobility**

Wealth enables families to invest in their children's human capital, including academic and cognitive development to improve the children's life chances (Conley, 2001; Mayer, 1997; Shapiro, 2004). Children from wealthy and financial capable households are more likely to have access to more resources, such as educational toys and books, that can stimulate cognitive ability during early childhood, have greater levels and quality of resources such as school quality and neighborhood safety (Charles, 2003; Reardon, 2016; Williams & Collins, 2001), pay for postsecondary education (Nam & Huang, 2009), and reduce burden of college debt (Elliot, 2013) and college graduation (Grinstein-Weiss et al., 2013; Huang, 2013; Loke, 2013). From an intergenerational standpoint, Huang (2013) found household assets are associated with increased intergenerational persistence of education among male youth but decreased persistence among female youth.

Moreover, racial inequality of wealth persists across generations. In *Black Wealth/White Wealth*, Oliver and Shapiro (1995) pointed out the conceptualization of assets as a surplus resource—to improve life chances, provide future opportunities, secure prestige, pass status along to one's family and secure economic security for future generations. Pfeffer and Killewald (2019) demonstrated that on average Black children with less wealthy parents are much more likely to have downward mobility in terms of household wealth—among those growing up in the middle 20% of the parental wealth distribution; 39% of these Black children fall to the bottom 20% of the wealth distribution compared to 16% of White children. Thus, the disadvantage of Black families is a consequence both wealth inequality in prior generations and race differences in the transmission of wealth positions across generations, which has contributed to a severely racialized wealth structure (Pfeffer & Killewald, 2019).

## **Lighting the Path Forward: Takeaways from CRISMA**

Economist Bradley Hardy noted that it has been 50 years since the publication of the Kerner Commission Report, which documented the deeply entrenched racial residential segregation that fueled racial inequity in socioeconomics and limited prospects for upward social mobility, and concentrated poverty and socioeconomic disadvantage within predominately Black communities, with inadequate housing and municipal services. Today, race, place, and economic mobility remain tightly intertwined, and place is a key determinant of socioeconomic outcomes in the United States. Yet features associated with historical racial residential segregation are understudied in typical economic analyses that investigate racial inequities in economic mobility. The degree to which local governments are involved in decision-making factors regarding economic avenues for social upward mobility needs further exploration. It is, therefore, imperative that the role of local attitudes and institutions in minority business development be included in economic research analysis. Hardy called for the leveraging of geocoded data to identify historical state and local-level policies that have fueled patterns of segregation and economic mobility. This paper provides insights into the role of historical factors in observed mobility outcomes as well as how contemporary neighborhood dynamics still persist in affecting social mobility outcomes.

In this vein, Carolyn Barnes described her investigations into concentrated levels of poverty in the rural South. According to U.S. Census Bureau data drawn from the American Community Survey (2011–2015), nearly 22% of Americans in the rural South are in poverty, compared to almost 16% in urban settings. In the rural South 33% of Black Americans lived in poverty compared to 15% of rural Whites and 23% of urban-dwelling Blacks. North Carolina is one of 15 states that devolved administrative authority to county level governments. Using

ethnographic methods, Barnes illustrated how race operates at the county level in the southern region of the U.S. The results delineate interdependent relationships between race, class, the economy, and social services. Job prospects and opportunities may increase at the detriment of others during an economic downturn. For example, one respondent, an agency supervisor for the county department of social services, remarked that the department is one of the few avenues for stable work in the area and when the economy tanks, the agency is at its busiest. Simultaneously, results indicate that rural Blacks, Latinos, and Native Americans are systematically excluded from these economic opportunities, particularly from the Department of Social Service, and White social service workers are overburdened, developing negative attitudes toward poor Black, Latino, and Native American people seeking benefits from the agencies. Therefore, a closer examination of racial disparities in the context of administrative social systems could offer insight to better understand how features of rural southern communities shape policy implementation.

William Emmons presented on behalf of his colleagues from the St. Louis Federal Reserve Bank. In his introduction, he noted that the median Black American family had about 40% less income and about 90% less wealth than the median non-Hispanic White family, whereas Hispanic–White income gaps were similar. Emmons explained that these disparities in wealth have not changed in magnitude over the past few decades and that the interpretation of racial/ethnic wealth gaps depends critically on framing. For example, the standard “postracial” econometric framing of income and wealth gaps attributes responsibility for these gaps in wealth to poor choices, such as not saving, frivolous spending, or not attaining higher levels of education. Therefore, scholars who use the postracial framing to explain Black–White and Latino–White wealth inequities find that wealth differences are due to differences in educational

attainment, financial choices, family structure, and several measures of good fortune. In response, Emmons and colleagues offered a framing that allows for the consideration of structural, systemic, and other unobservable factors that might explain racial/ethnic wealth inequities. Presenting data drawn from the Survey of Consumer Finances, Emmons discussed the application of both frameworks in an investigation of racial/ethnic income and wealth inequities. They concluded that the major source of persistent racial and ethnic income and wealth gaps were likely attributable to structural factors, particularly a lack of opportunities, rather than poor choices or behaviors at an individual level.

Influential economist, Darrick Hamilton, argued that wealth provides agency and protects against risk and loss. Without wealth, inequality is embedded across race. Further, Hamilton argued that wealth inequality, particularly across race/ethnicity, has been widely documented in the United States. However, dialogue about the wealth gap often pays little attention to power, privilege, and capital. The assumption that markets are transparent and efficient leads to a false notion of fairness, and these presumptions fuel debates about those who are “deserving” versus those who are not. Similarly, educational attainment is perceived as a pathway for social mobility. However, disparities in health between racial groups increase with education, as Black men and women with a college degree have nearly a 70% higher mortality than similarly educated Whites. Stratification economics and critical race theorists recognize that there are tangible benefits to White privilege. Without unpacking the fact that Whites benefit from inequality, it is difficult to properly frame the racial wealth gap and generate restorative policies to address these historical persistent inequities. Hamilton further explained that stratification economics challenges and expands the conventional orthodox economic views of human capital attainment by examining how social identity formation and collective group actions preserve

social hierarchy and economic outcomes. Hamilton concluded by arguing that economists and other social scientists must develop a better understanding of the political economy, particularly notions of power and fair equitable distribution.

### **Conclusions**

The perspectives provided by the CRISMA speakers highlighted a few key factors. One, it is important to understand the role of place. The geographic patterning of different Black Americans for instance is notable as many Blacks reside in the southern part of the United States. This is an important point because of state level policies related to the creation and reification of social and economic gaps. As Professor Barnes' work illustrates, policies and practices at the local level also limit access to opportunities and even connections to social services. As such, one of Hamilton and Darity's (2010) key contributions is the development of "baby bonds" as a potential vehicle to accelerate progress toward racial/ethnic equity—the establishment of federally funded trust accounts that would average from \$25,000 to \$60,000 could potentially redress historical legacies of racism and economic marginalization. Another key takeaway is the need to use a historical lens to understand racial/ethnic wealth. Providing a proper, structurally oriented lens is critical if one is to accurately understand the genesis of disparities in wealth. This is critical in the creation of an evidence base that can be used to promote the development of restorative policies particularly to address racial economic inequality.

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