

Unjust and Unfair: Consequences of the Racial Wealth Divide

Episode 5: Evidence-Based Solutions to the Racial Wealth Divide

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[00:00:11.47] This is In Solidarity, a podcast where we draw connections between power, place and health and discuss how our lives-- our fates-- are all interconnected. Here are your hosts, Ericka Burroughs-Girardi and Beth Silver.

[00:00:26.05] Hi there, and welcome to In Solidarity. I'm your host, Ericka Burroughs-Girardi, here with my co-host, Beth Silver. Hi, Beth. How are you?

[00:00:34.54] Hey, Ericka, I'm doing great. Thank you. I can't believe we're already into episode five of our six-episode series on the racial wealth gap. We've laid out the issue of the racial wealth divide, talked about what the data says, delved into the history of the racial wealth gap and how we got to this point, and finally, started to talk about solutions. There are proven solutions to repairing the inequities.

[00:00:57.13] Yes, there are. And I'm still thinking a lot about our last conversation with Dr. Andre Perry and the ideas around reparations as a solution to the racial wealth divide. I think that's why I'm so excited about our guest today, our friend and colleague at County Health Rankings and Roadmaps, Michael Stevenson.

[00:01:15.13] We're going to be talking in this episode about tackling the racial wealth gap, or racial wealth divide, as some scholars call it. We're joined by Michael from his home in Princeton, New Jersey. He leads our evidence and policy analysis team at County Health Rankings and Roadmaps. His team built What Works for Health, which is a database that rates the effectiveness of more than 400 health strategies and policies.

[00:01:38.80] The team also analyzes those policies and strategies for their impact on disparities, the differences between groups. What Works for Health recently curated a list of strategies on racial wealth building, which is relevant to today's discussion.

[00:01:53.83] Relevant because Michael is, in fact, the reason we're talking about the racial wealth gap. In brainstorming the podcast, Michael suggested the theme for this miniseries. And I'm just so glad he did. Of the inequities we study at County Health Rankings and Roadmaps, wealth inequity seems like one of the most consequential to our health, to our ability to thrive-- even to how long we live.

[00:02:17.05] And let's remember what we're really talking about when we say "wealth inequity." Unlike income, wealth is a family's net assets. The average white family has 10 times the wealth of the average Black family in this country. And it's not about individual behavior or

educational attainment. White college graduates, for example, have more than seven times the wealth of Black college graduates.

[00:02:42.08] That's right, Beth. And so we'll talk about financial strategies, such as reparations, baby bonds, and universal basic income. We'll also ask Michael about strategies that work at the community level. I'm thinking of things like universal pre-K, programs to promote home ownership, and community development financial institutions.

[00:03:03.82] There are so many ideas, Ericka. And as I think we'll learn from Michael, researchers are starting to understand what works. There have even been experiments where communities have tried out some of these strategies. I'm thinking of examples like Stockton, California, and their universal basic income program.

[00:03:20.59] Ooh, that would be great to talk about with Michael. And I remember reading preliminary results that found that full-time employment in Stockton rose among those who received a \$500 a month check. The check went to 125 people at or below Stockton's median income. In addition to their financial health improving, their physical and emotional health improved.

[00:03:45.55] That's a great example of where County Health Rankings and Roadmaps can be a resource for communities. Through our annual release of county-level data, communities like Stockton, California, get a clear picture of their residents' health and well-being across a multitude of measures and then use resources like What Works for Health to target programs for maximum impact.

[00:04:07.93] So true, Ericka. And if you haven't already checked it out, after you've finished our series on the racial wealth gap, head over to countyhealthrankings.org-- check out how your community is doing. But first thing's first-- let's talk more about solutions for racial wealth building. Here to discuss What Works for Health, please help us welcome Michael Stevenson.

[00:04:27.03] [MUSIC PLAYING]

[00:04:32.44] Thank you so much for having me today. We have a really incredible team here at County Health Rankings and Roadmaps, who has contributed to this work. And I'm really excited to share it with you today.

[00:04:42.82] Thank you, Michael, and we're excited to have you. On In Solidarity, we're centered on the idea of social solidarity. So just as we've asked our other guests, what does social solidarity mean to you, and how does it influence the work that you do?

[00:04:55.96] Yeah, so this is a really good question, and it's a tough one for me to answer. But for me, social solidarity is really about recognizing that we're all part of a shared story. And it's a story where we all value each other, know we take care of each other, and we want for others the way we want for ourselves.

[00:05:17.97] And our colleagues at Human Impact Partners often talk about health equity work requiring both the head and the heart. And I think that's true for social solidarity work as well. So this requires us to both think and to feel. The work requires the head because we've got some complex problems to solve. We need good data and sound analyses to make informed decisions.

[00:05:43.50] But equally as important, it requires the heart because ultimately, the work is about being in a relationship with one another. We experience life together, all of the pains and joys. And when we do social solidarity work, it's always personal because we always have skin in the game. And that's true for our work on the racial wealth gap.

[00:06:04.83] So when I think about my family, it's benefited from policies and systems that have given us opportunities to build wealth over time. We've been able to buy homes, invest in education, and save for things like retirement. This has allowed us to take risks and rebound from setbacks. We've benefited from policies and systems that we sometimes didn't even know exist. And then, when we're doing this work, I can't help but ask the question, why shouldn't everyone have those opportunities?

[00:06:34.90] Yeah. That is so good, Michael. And thank you for reminding us about the heart being such a big part of social solidarity. Can you draw the connection for us, Michael-- the connection between health and the racial wealth gap?

[00:06:53.51] Yeah, absolutely. So research tells us that higher levels of wealth are associated with better physical and mental health. And specifically, we know that self-reported health and well-being also improve with increased wealth. And at County Health Rankings and Roadmaps, we offer a model of community health that acknowledges the multiple factors that influence how long and how well we live.

[00:07:19.45] And the factors include things that we typically associate with health-- things like health behaviors. Do you smoke? Do you eat healthy food? Things like clinical care-- so can I access a doctor if I'm sick? Do I have health insurance?

[00:07:33.68] But what's just as important is that our model also recognizes how health is influenced by social and economic factors-- things like access to education, employment, or a good income. And our model recognizes the role the physical environment plays in our health-- so things like, do I have a roof over my head, and is the air I'm breathing clean?

[00:07:56.54] So when we think about our model, wealth can really influence our health in a couple of ways. First, wealth creates more opportunities to receive that good education. It creates opportunities to start small businesses, to live in neighborhoods with low crime, and to buy homes that are free from hazards like lead. Wealth can help us access, really, all of those things. And all of those things influence our quality and length of life.

[00:08:25.70] Wealth can also provide a safety net when times get tough. So just think with me for a minute about what we've experienced over the last couple of years with COVID-19. So in the early months of the pandemic, millions of people lost their jobs. And a loss of a job ultimately meant a loss of income for many, many families. And families started to have to make

really tough decisions-- decisions about, what bills do I pay, how do I keep food on the table, and how do I maintain that roof over my head?

[00:08:59.86] So job loss also meant, though, that families lost health insurance because health insurance is often associated with jobs in this country. So families had to delay routine care and screenings. People with wealth or households with wealth were ultimately able to navigate those hardships better because they were able to tap into their savings or retirement to get by.

[00:09:24.59] I say all of that to pause for a second and just to make clear that, even though there's connections between wealth and health, the connections aren't perfect. So high levels of wealth don't necessarily prevent households from experiencing things like discrimination or racism, which we know also contribute to poor health.

[00:09:45.35] I really appreciate, Michael, that you pointed out that it's not perfect. It isn't. But still, I think incredible work that we're making these connections. When you say racism creates poor health, how does it do that?

[00:10:00.05] Yeah, so there's a lot of evidence to support the connection between racism and its impact on our health. And we know that racism and discrimination-- there's pathways for those things to get under our skin. And what I mean by that is that there's pathways for them to make us, ultimately, sick. So we've seen connections in the data that racism is associated with poorer mental health, but also poor physical health.

[00:10:27.10] We talked a little bit at the top of the show about the What Works for Health tool. Can you tell us more about the tool and its features?

[00:10:35.33] Yeah, absolutely. So What Works for Health is a database of evidence-informed strategies that can ultimately improve health and advance equity. And our analysts review and evaluate evidence for over 400 strategies in the database. And they assign two things, two ratings, to each strategy.

[00:10:55.56] The first is an evidence effectiveness rating. This rating answers the question, how well does a strategy achieve its desired outcome? The second rating is a disparity rating. And this rating answers the question, how likely is a strategy to close gaps between groups?

[00:11:14.80] And Michael, you also recently curated a list that addressed the racial wealth gap and racial wealth building. What were some of the key findings from that project?

[00:11:24.28] Yeah, so over the past year, our team has been deep in the literature and deep in talking to experts to better understand why the racial wealth gap exists and what we can do to eliminate or close that gap. So we've learned a lot of interesting things along the way. But one of the things that I'll start by sharing with you right now is that we learned that strategies that both directly and indirectly build wealth are important to invest in if we're serious about closing the racial wealth gap.

[00:11:55.46] And let me expand upon that a little bit more. So direct strategies are solutions like things like reparations or baby bonds. These are strategies that directly increase income or build wealth pretty immediately. Indirect strategies include things like publicly funded pre-kindergarten that improve education but might take a little bit more time for it to show gains in wealth over time.

[00:12:25.38] I think, equally as important as investing in strategies that both directly and indirectly build wealth, what we heard loud and clear from the experts that we talked to was that we also need to support community members in healing and recovery by investing in strategies that address historical trauma and ultimately improve mental health and well-being.

[00:12:46.41] That's interesting, Michael. What does community healing have to do with wealth?

[00:12:51.45] Yeah, great question. And again, our experts that are on the ground, doing this work every day, really emphasized this to us. So I think it's really easy for us to think about how successful we are at closing the racial wealth gap by looking at the numbers. And although those numbers are important, what the experts said is that systematic oppression has had a profound effect on the mental health and well-being of the communities that they're serving.

[00:13:20.44] So it's not just about how effective we are at closing the gap. It's also about making sure that people have access to the resources they need to heal. And what I mean by that is that we need to make sure folks have access to things like mental health services, but that we're also making investments in communities through things like green space and parks and community centers and by really creating a sense of community through community events.

[00:13:44.64] Why, Michael, this curated list at this time?

[00:13:48.27] Yeah, so just the other day, Beth, we were talking a little bit about this. And the CHR&R model-- the County Health Rankings and Roadmaps model that I just described-- is a really, I think, powerful tool for us to be looking at when we're thinking about wealth. So wealth shows up in that model in so many different ways, from income to housing. So if we make progress on closing the racial wealth gap and increasing wealth, we end up improving health in so many different ways across those social and economic factors and the physical environment.

[00:14:23.50] The "why now" question is an important one as well. So why we decided to take on this work now is in part just due to where we are as a country right now. So as I'm sitting with you today, we're in year two of a global pandemic that will require a long-term economic recovery, especially for low-income families and people living in poverty. But we're also at a crossroads with the country's racial reckoning. And it's really hard for us to imagine having conversations about either of those topics without talking about the racial wealth gap.

[00:15:00.04] Could you explain the big ones-- the differences between reparations, baby bonds, and universal basic income?

[00:15:07.21] Yeah, so the three strategies you just named-- reparations, baby bonds, and universal basic income-- are some of the strategies that experts are recommending that we invest in. And they all have emerging evidence bases.

[00:15:22.30] So reparation programs acknowledge and address the harms caused by government-led systems or practices-- so things like slavery, land theft, and segregation. Reparations include cash payments, but they can also include investments for individuals and communities-- so things like down payment or business startup grants. Programs typically include formal apologies and public acknowledgment in addition to some of those benefits I've already talked about. And in the US, we really, oftentimes, think about reparations in the context of slavery.

[00:15:57.50] So if we take the next one on the list-- I think you mentioned baby bonds. So baby bonds are government-funded investment accounts created for newborns. The initial amount deposited into a baby bond varies depending on a household worth or net worth or income. The government makes an annual contribution into the account. And the account grows with compound interest. And what's really awesome about these accounts, in particular, is that, at age 18, the young adult is able to receive the funds and use them to invest in wealth building activities, like going to college, or buying a house, or potentially starting a business.

[00:16:37.72] What about universal basic income? What is that?

[00:16:40.42] Yeah, so these are programs that provide regular distributions of money to everyone in the community, regardless of employment status, age, or any other condition. And the idea behind these programs is that everyone should be able to meet their basic needs. Everyone should be able to have that financial cushion to build wealth and to navigate difficult times. So we've seen universal basic incomes implemented in different ways. Sometimes, they prioritize households with low incomes. But they can, of course, be scaled up to really include everyone.

[00:17:14.52] You've also talked about the idea of atonement and what communities are doing from a civic perspective on this, and even some universities. Tell our listeners what this is about.

[00:17:25.47] Yeah, so I'm glad you asked about this because the examples that I really just talked through to close the racial wealth gap-- reparations, baby bonds, and universal basic income-- are complex, and they require a significant amount of resources and political will. So it's important that we work towards solutions like the ones that I just mentioned. But we shouldn't forget that there are steps that we can take along the way to acknowledge the injustices and to support community healing.

[00:17:55.33] So we've seen a lot of examples of atonement over the last couple of years. And I'll give you an example of what I mean by this. So California recently restored a state park's name to Sue-meg, the name the Yurok tribe had given to that land before it was forcefully removed from them.

[00:18:16.08] In the 1800s, an Irish settler reportedly killed Native Americans to remove them from that land. And when the state later acquired that land, they actually named the park after that settler. So the land continued to have cultural significance to the tribe. But as you can imagine, the site was also a place of trauma. And the name contributed to that. So the name was restored as part of California's Reexamining Our Past initiative, which builds on the governor's formal apology for the state's role in the genocide of Native Americans.

[00:18:55.15] So the renaming of the park was a really, really important first step in healing the relationship between the tribal community and the government. However, I think what's important to keep in mind when we're having conversations like this is that an apology or renaming isn't going to close the racial wealth gap. It's a really, really important first step, but it needs to be followed by additional action.

[00:19:18.22] Yeah, that's so true. And so, Michael, does the research provide any sense of which one of these strategies would be most effective at closing the racial wealth gap?

[00:19:31.43] So usually, when we're thinking about how we solve problems, we want to make sure we understand the problem and then feel confident that the solutions we're going to implement are going to work. The racial wealth gap is big, and we have data to support that. So we know that Black families have just 10% of the assets of white families in this country.

[00:19:50.72] And when it comes to solutions, we know the gap wasn't necessarily created overnight. So we know that systems and policies like slavery and redlining helped create the gap. And we know that that gap continues to be maintained through things like our tax code. So this means, ultimately, that there's not one solution to close the wealth gap. However, there are a number of things we can do to make a difference. And I've talked about many of them already.

[00:20:18.65] So in addition to investing in strategies like reparations or universal basic income, we shouldn't underestimate the potential to invest in strategies that indirectly build wealth. So for example, publicly funded pre-kindergarten programs, college access programs, and child development accounts create opportunities for individuals to receive a quality education that can ultimately increase earning potential.

[00:20:45.10] Solutions like community land trusts or community development financial institutions can create more opportunities for families to buy a home, which is where, in the US, most of our wealth sits. And I think we shouldn't forget that, because emergencies often can wipe out savings or push families into debt, we can invest in a strong safety net that include things like paid family leave, or paid sick leave, or increased unemployment insurance.

[00:21:18.53] Michael, what are the barriers? If we know what works-- we have a map, essentially, that tells us how to erase this divide-- why haven't we done it?

[00:21:26.79] Yeah, so this is such an important question, and one that I really, probably, won't be able to adequately address. We know why the racial wealth gap exists, and we have a really good idea of evidence-informed solutions we could invest in to close the gap. Yet we, as a

society, have been slow to take action. And my guess is that there are a few reasons for this, none of which have to do with not having enough data or evidence to make an informed decision.

[00:21:54.56] The reasons likely have something to do with that very, very first question you asked me about social solidarity. For one, it takes an incredible amount of courage to acknowledge a history that has and continues to cause so much harm in this country. The history is painful, and it often conflicts with our morals and ideals. But we simply can't move forward without coming to terms with our past. We owe it to each other to be honest, not out of guilt or out of shame, but out of solidarity.

[00:22:26.80] But I also think we need to acknowledge that a lot of people are hurting right now, physically, mentally, and economically. And people are hurting, regardless of where they live or their race. And because so many people are hurting, it's really, really challenging to look beyond our immediate needs to see that, regardless of our situation today, we haven't all had the same opportunities to build wealth in this country.

[00:22:53.33] And this can really lead to some zero-sum thinking, where we start to believe that, if we take steps to close the racial wealth gap, it'll ultimately come at my or someone else's expense. So we've got to overcome these things if we want to take meaningful action. But the good news here is that communities have started to take those steps.

[00:23:14.90] Yeah, and actually, that's a question that I wanted to move you in a direction of. What can you tell us about communities like Stockton, California; Evanston, Illinois; and Asheville, North Carolina? What are they doing?

[00:23:28.85] Yeah, so over the last few years, we've seen communities start to take that meaningful action. And I'll start with Stockton, California. So Stockton piloted a guaranteed income program. So in 2018, the city sent payments of \$500 a month to 125 people in low-income neighborhoods. There were no restrictions on how the money was spent.

[00:23:51.62] And we learned from this example that most families actually used the money to cover essentials-- so things like food and utilities and rent. They used the money to pay unexpected bills and to pay down debts. So what we also learned is that employment actually increased among people who received the payment. And most importantly, we learned that participants were healthier and reported reduced depression and anxiety.

[00:24:18.38] Ericka, you also mentioned Evanston, Illinois. And in 2019, Evanston-- their city council passed a local reparations program for Black residents to address the city's role in discriminatory housing policies. So this program provides households with up to \$25,000 for down payments or home repairs to increase home values.

[00:24:41.65] And lastly, we've seen Asheville, North Carolina, also take some meaningful action here. So just recently, they passed a resolution apologizing for slavery, the role that the city government played in enforcing segregation, and for implementing an urban renewal program that ultimately destroyed several successful Black communities. So they're currently looking at ways to support Black homeownership and affordable housing.

[00:25:10.48] So these examples-- Stockton, Evanston, Asheville-- are setting a really powerful and important example for other communities. And they're taking the first steps at really moving some of these promising ideas into practice.

[00:25:25.77] Some of the work at County Health Rankings and Roadmaps has also been concerned with toxic narratives around the racial wealth gap. Can you tell us a little bit about what we mean by "toxic narratives" in this context? How can we transform these harmful narratives?

[00:25:41.79] Yeah, so our research has shown-- and I think this podcast has illustrated-- that policies and systems helped white people build wealth while at the same time stripping wealth from communities of color. And this was often done intentionally. So white people, myself included, continue to benefit from those policies and systems, even if they're no longer on the books.

[00:26:06.51] So I'm going to pause there for a second because what I just said is counter to so much of what we hear on the news or see on social media when it comes to wealth. We often hear that wealth is the result of individual behavior. We hear things like, people just need to save more money, or that they would earn more money if they finish their degree.

[00:26:24.21] This "pick yourself up by the bootstrap" mentality-- it's a toxic narrative. It's toxic because it tells a false story about why the gap exists and who ultimately bears responsibility for closing it. It blames the person, and it doesn't acknowledge or remedy the unjust policies and systems that created and maintain the gap.

[00:26:43.53] But toxic narratives are problematic in other ways. So they often limit our creativity in identifying solutions to help us close the gap. So in places like Evanston and Asheville and Stockton, would they have invested in the solution that they did if they believed or heard those toxic narratives? My sense is, no. So we can challenge toxic narratives by having conversations like the one we're having right now. We can also challenge toxic narratives by offering what we call transformational narratives in their place.

[00:27:16.77] So imagine if we grounded our conversations about wealth in the idea that we have the power to create public infrastructure and social systems that nurture collective well-being and help create conditions where everyone has what they need to thrive. How would that narrative change the conversation? What would our actions look like if we fully embrace the ties that connect us, and we celebrated our neighbors with dignity and respect?

[00:27:43.29] Wow, thank you, Michael. I feel like you so well encapsulated the idea of social solidarity, which is, as you know, the theme for the whole podcast and, really, such a central theme to public health. So thank you. We really appreciate it.

[00:28:00.30] Yeah, thank you for having me.

[00:28:01.32] [MUSIC PLAYING]

[00:28:06.83] Beth, I'm so happy we had Michael with us.

[00:28:09.78] Definitely lots of solutions to research. And I'm encouraged by the smaller community-driven projects like in Stockton, Evanston, and Asheville, which is a city, by the way, currently establishing a reparations commission.

[00:28:24.20] Yeah, a lot of great work happening in communities across the country. Atlanta is another city that has some interesting developments. In our next episode, the final of our series on the racial wealth gap, we'll talk with Latresa McLawhorn Ryan, the executive director of the Atlanta Wealth Building Initiative. The initiative is promoting shared prosperity through a variety of wealth building strategies.

[00:28:47.35] [MUSIC PLAYING]

[00:28:47.81] That's right. They're doing the very work that we've been talking about throughout this series. After everything we've covered on In Solidarity, it'll be exciting to hear how Atlanta is doing this and how communities can learn from Atlanta's example. If you're looking for achievable solutions at the community level, powerful solutions aimed at tackling the massive racial wealth gap, you don't want to miss this conversation. Until then, I'm Ericka.

[00:29:14.93] And I'm Beth.

[00:29:16.01] And we're In Solidarity, Connecting Power, Place, and Health.

[00:29:19.64] [MUSIC PLAYING]

[00:29:21.83] Now, it's your turn to join the conversation. Head over to our podcast page on countyhealthrankings.org and share your thoughts with us. The question for this episode is, what kinds of programs or policies is your community considering or using to help families build generational wealth and close the racial wealth gap?

[00:29:45.74] In Solidarity is a production of County Health Rankings and Roadmaps, from the University of Wisconsin, with funding from the Robert Wood Johnson Foundation. To learn more about our guests' work, to discover additional resources on the topics we've discussed, or to find out how healthy your community is, visit us at countyhealthrankings.org.

[00:30:03.62] [MUSIC PLAYING]