



The Racial Wealth and Income Gap

POLICY 1: Slave Codes, the Fugitive Slave Act, and American Chattel Slavery (1613-1860)

The slave codes created “servitude for natural life” for African laborers. 250+ years slave labor of millions of African and Black people was the foundation of the American economy and global force that it eventually became. On the eve of the Civil War, Black slaves were valued at an estimated \$3.6 billion (not scaled for modern inflation), and none of the Black slaves were able to cash in on that value.

POLICY 2: Andrew Johnson’s Land Policies and Sharecropping (1865-1880)

After the Civil War, 4 million Black people largely resorted to renting the farm land of their previous master in exchange for a “share” of their crop. This system of “sharecropping” tied farmers to their former master because they were legally obligated to buy and sell from them.

POLICY 3: Land Seizures (1865-1960s)

Black people were legally at risk of having their land seized from 1865 to the 1960’s, due in part to the sharecropping debt that many Black farmers found themselves in. White landowners could arbitrarily declare that Black farmers or business owners were in debt at any time and seize their land.

POLICY 4: The National Housing Act of 1934

This policy guaranteed loans to White people and legally refused loans to Black people and anyone living near Black neighborhoods. This policy also resulted in Black people paying sometimes double or triple the amount to buy a contract from a white person to pay mortgage on a house that legally wasn't in their name. Meanwhile, Black people were making payments to secure their chances of being able to own their home, while still not receiving any equity on the payments toward that home.

POLICY 5: The Social Security Act (1935- Present)

Black people were twice as likely to experience hunger or poverty during The Great Depression, and sixty-five percent of Black people were ineligible to receive this income support. This was designed in such a way that excluded farmworkers and domestic workers—who were predominantly Black—from receiving “old-age” and “unemployment” insurance. To this day, farmworkers and domestic workers are excluded.

POLICY 6: The Fair Labor Standards Act of 1938

This was enacted to help lift the economy out of the Great Depression but excluded a number of tip-based professions predominantly held by Black workers from the first minimum-wage protections. Even though the Black unemployment and poverty rates were twice that of White people during the Great Depression, the very policies meant to alleviate economic strain were often withheld from the Black community, making it harder to build wealth in the future.

POLICY 7: The G.I. Bill of 1944

This was enacted to help World War II veterans adjust to civilian life by providing low-cost home mortgages, low-interest business loans, tuition assistance, and unemployment compensation. Most of the benefits distributed were unavailable to Black service members.

POLICY 8: Separate but Equal Doctrine (1954 to Present Day)

Despite the Separate but Equal Doctrine being overturned in 1954, American schools are more racially segregated today than they have been in the past four decades, since Black students are seven times more likely to live in areas of concentrated poverty, and attend underfunded, understaffed, and overcrowded schools.

POLICY 9: Subprime Loans (1970s to Present Day)

Starting in the 1970's and continuing today, the private sector issued subprime loans almost exclusively to Black families, regardless of income, good credit, or financial history. As a result, Black families continued to unfairly pay more money for homes of the same value as their White counterparts, causing rates of foreclosure among Black families to increase.

POLICY 10: The War on Drugs (1971 to Present Day)

The War on Drugs exacerbated the racial wealth gap with practices that inherently targeted Black and brown communities. Although rates of drug use and selling are similar across racial lines, Black men are up to 10 times as likely to be stopped, searched, arrested, prosecuted, convicted and incarcerated for drug law violations than White.