HOPE POLICY INSTITUTE: RACE & THE ECONOMY IN JACKSON, MS

UNITED WAY OF THE CAPITAL AREA PRESENTS: A FINANCIAL COMMUNITY FORUM, MAY 10, 2018
INTRODUCING THE RACIAL WEALTH DIVIDE FRAMEWORK
Traditionally, measures of racial inequality focus on racial disparities in wages, income, and unemployment.

Measures of racial inequality that fail to capture racial wealth disparities severely understate the economic chasm between black communities and white communities and how persistent that chasm is across generations.

Examining the racial wealth divide (RWD) also sheds light on the intergenerational transmission of racial privilege and racial disadvantage.

RWD research also pushes us towards a more robust framework for economic security.
THE GROWING RACIAL WEALTH DIVIDE


Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.
THE GROWING RACIAL WEALTH DIVIDE

HOUSEHOLD NET WORTH
BY RACE, 1983-2017

WHITE HOUSEHOLDS
$102,200
$116,800
14%
1983
2017

BLACK HOUSEHOLDS
$6,800
$1,700
75%

INCOME AND WEALTH BY RACE

Earning Middle-Class Income Does Not Guarantee Black Families Middle-Class Economic Security

THE RACIAL WEALTH DIVIDE OF THE FUTURE

HISTORICALROOTSOFRACIALECONOMICINEQUALITYINMISSISSIPPI
“History, as nearly no one seems to know, is not merely something to be read. And it does not refer merely, or even principally, to the past. On the contrary, the great force of history comes from the fact that we carry it within us, are unconsciously controlled by it in many ways, and history is literally present in all that we do” – James Baldwin (1965)
Mississippi’s economy was built principally on racialized economic exploitation in the form of chattel slavery, convict leasing, and later sharecropping. This exploitation did not stop following the passage of the Emancipation Proclamation, but continued well into the mid 20th century.

Mississippi was also the first southern state to attempt to attract industrial development through touting a low-cost, non-unionized labor force and providing tax-funded incentives to corporations to locate in the state.

This pattern of low-road economic development continues to this day and has resulted in the second highest concentration of low-wage jobs in the country.
THE RACIAL WEALTH DIVIDE IN JACKSON
## EDUCATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1954</td>
<td>Brown vs. Board of Education declared separate public schools unconstitutional</td>
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<tr>
<td>1959</td>
<td>Jackson Academy opened as a “Freedom of Choice School”</td>
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<td>1969</td>
<td>Alexander v. Holmes County BOE orders immediate desegregation of public schools in the American South</td>
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<td>1969–70</td>
<td>Jackson Prep/MRA Opens; JPS loses 5,000 white students in one semester</td>
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<td>1973</td>
<td>JPS loses more than 70,000 due to White Flight</td>
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<tr>
<td>1997</td>
<td>The Mississippi Adequate Education Program is passed; Schools have only been fully funded twice</td>
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<tr>
<td>2018</td>
<td>Jackson Population = 81.2% Black</td>
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<tr>
<td></td>
<td>JPS Population = 96% Black, 99% FRPL</td>
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</tbody>
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HIGH SCHOOL GRADUATION RATE BY RACE

Jackson, MS
Mississippi
United States

White
Black
COLLEGE GRADUATION RATE BY RACE

Jackson, MS

Mississippi

United States

White  Black
INCOME AND EMPLOYMENT
INCOME POVERTY BY RACE

Jackson
Mississippi
United States

White  Black  Overall

0  5  10  15  20  25  30  35  40
ASSET OWNERSHIP

WE WANT WHITE TENANTS IN OUR WHITE COMMUNITY
HOMEOWNERSHIP & RACE IN THE DEEP SOUTH

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<tr>
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</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>50.4</td>
<td>71.3</td>
<td>49.7</td>
<td>75.8</td>
</tr>
<tr>
<td>Arkansas</td>
<td>49.4</td>
<td>69.1</td>
<td>42</td>
<td>70.8</td>
</tr>
<tr>
<td>Louisiana</td>
<td>47.1</td>
<td>68.8</td>
<td>46.3</td>
<td>74.4</td>
</tr>
<tr>
<td>Mississippi</td>
<td>49.1</td>
<td>73.9</td>
<td>53.5</td>
<td>76.5</td>
</tr>
<tr>
<td>Tennessee</td>
<td>43.7</td>
<td>70.3</td>
<td>43.5</td>
<td>72</td>
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</tbody>
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## MEDIAN HOME VALUE BY RACE

### HOME VALUE & RACE IN THE DEEP SOUTH

<table>
<thead>
<tr>
<th></th>
<th>Black</th>
<th>White</th>
<th>% Difference</th>
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</thead>
<tbody>
<tr>
<td>United States</td>
<td>126500</td>
<td>180300</td>
<td>42</td>
</tr>
<tr>
<td>Alabama</td>
<td>86800</td>
<td>138600</td>
<td>60</td>
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<tr>
<td>Arkansas</td>
<td>74900</td>
<td>117400</td>
<td>57</td>
</tr>
<tr>
<td>Louisiana</td>
<td>103200</td>
<td>156200</td>
<td>51</td>
</tr>
<tr>
<td>Mississippi</td>
<td>73300</td>
<td>121000</td>
<td>65</td>
</tr>
<tr>
<td>Tennessee</td>
<td>98900</td>
<td>148000</td>
<td>50</td>
</tr>
</tbody>
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PHILANTHROPIC INVESTMENT
PER CAPITA GRANT MAKING, 2010-2014
WHAT CAN WE DO?
67% CONSUMER LOANS Made in Economically-Distressed Areas.

<1% Consumer Borrowers default on their loans.

85% MORTGAGE LOANS Made to People of Color.

75% OF HOPE BRANCHES are in High-Poverty Areas.
PROPOSED SOLUTIONS

- Expand existing progressive taxes
- Establish Children's Savings Accounts
- Strengthen the Earned Income Tax Credit
- Significantly raise the Minimum Wage
- Increase access to Homeownership
- Maintain the effectiveness and independence of the Consumer Financial Protection Bureau
- Guarantee Employment
- Create a national auto-enroll Individual Retirement Account Program
- Improve data collection on economically distressed communities and people
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QUESTIONS?

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