

Dispelling Three Common Myths on Black Advancement

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CURE

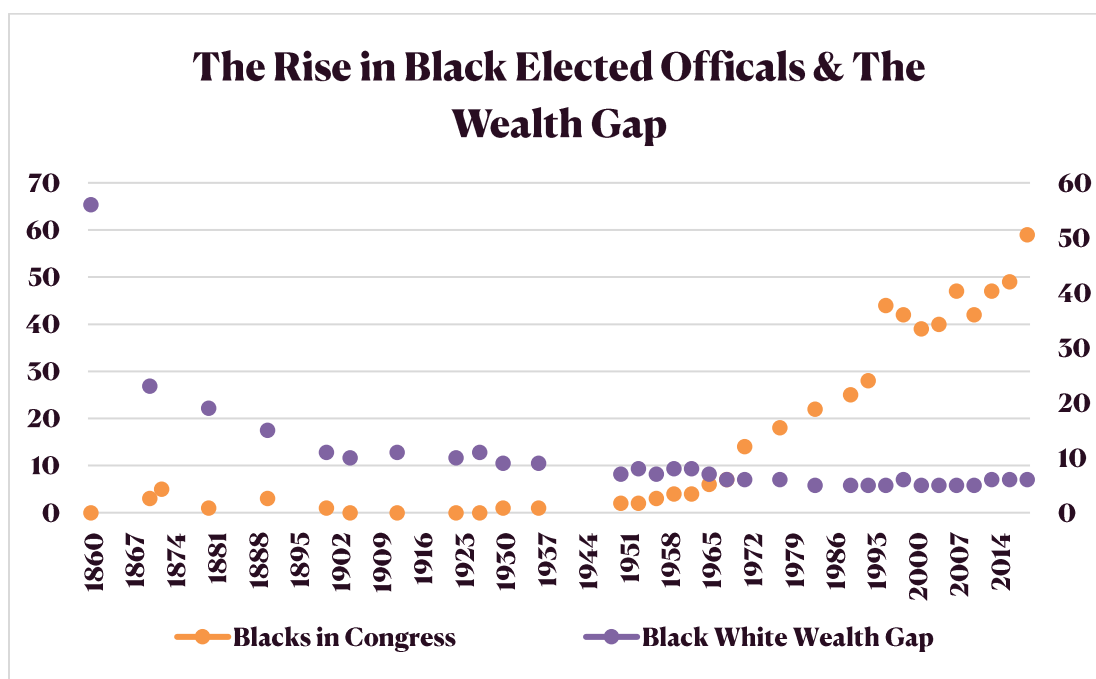
Center for
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After a series of high-profile events such as tragic infrastructure collapses in predominantly black communities, policing killings, and a spike in urban violence, society is starting to place a greater emphasis on issues in the black community. Although the responses to this rising interest in the black condition have been far from uniform, this issue of black advancement has become an increasing focus for many seeking to alleviate social inequities. We share the goal of building more prosperous black communities, but we believe that to be productive toward a desirable outcome for distressed black communities we need to address some common myths.

1.) Racial Political Representation Improves the Black Condition

To be clear, we agree with electing or appointing black men and women to positions of power when they have a proven ability to excel in the positions. We are strong proponents of meritocracy because we understand that advancing society requires talented people to create and produce. However, the link between racial representation and social equity is weak and unproven.



Source: Derenoncourt, E., Kim, C. H., Kuhn, M., & Schularick, M. (2022). *Wealth of two nations: The US racial wealth gap, 1860-2020* (No. w30101). National Bureau of Economic Research And "African American Members of the U.S. Congress: 1870-2020." Congressional Research Service, December 15, 2020.

The chart above shows the number of black people in congressional membership on the right axis and the ratio of the white-to-black wealth gap (a lower number is properly interpreted as a reduction in the racial wealth gap). This data was compiled by combining a 2022 study on the white-to-black wealth gap, taking the per capita total assets of the white population, and dividing it by the total assets of the black population and by the Congressional Research Service data on black congressional membership in both chambers².

Although there were rapid gains after slavery (due to the fact that blacks were going from nothing to something) these gains slowed and failed to converge. Although the graph shows a substantial reduction from the immediate post-Civil War period it's important to keep this in context. For example, the data shows that in 2019, black Americans held just 17 cents on average for every dollar of white wealth and the annual income gap was 50 cents to the dollar³.

A look at the graph above shows that despite the lack of black congressional representation in Congress before 1965 dramatic reductions in the white-black wealth gap took place. Similarly, with a stark increase in black congressional membership the racial wealth gap remained mostly unaffected, and by some measure began to slightly increase in the 90s⁴. The goal of this information isn't to attack black legislators as inadequate or ineffective; that would be unfair. All legislators should be judged on their individual performance by their respective constituencies regardless of race.

Admittedly this is a surface-level preview, there are more ways to measure black advancement than monetary gains. However, we feel this is an appropriate proxy for gauging the black condition for the current analysis because financial power is associated with a higher quality of life and longer life expectancies. Similarly, black congressional membership is a proxy for black political power in lieu of more comprehensive data. However, if anything, our graph likely underestimates the growth of black political influence. Partial data from the U.S. Census and Joint Center for Political and Economic Studies shows that from 1970 to 2001, the nationwide count of black elected officials grew from 1,459 to 9,061 and is likely more than 10,000 today⁵. It seems clear from the data that the relationship between racial political power and racial wealth equity is weak to non-existent.

2.) Reparations are a Feasible Solution to Black Equity Concerns

Reparations continue to be a hot topic in the debate over racial equity. Although there have been several experiments with racial reparations throughout American history, there are very few success stories and very few circumstances that apply to current black experiences.

So, let's start with the most obvious problem with this approach: the cost. Black Stanford professor and economist, William A. Darity Jr. put the price tag of reparations for black people at about \$840,000 per black household or a total cost near 14 trillion dollars, which is more than half the total gross domestic product (GDP) of the American economy. Professor Darity argues this would close the racial wealth gap between black and white households and perhaps it would⁶.

The issues with such a proposal are multifaceted. Let's start by addressing the cost and ethics. The reparations proposal would be the largest government expenditure in American history, dwarfing other programs. This would represent an unprecedented wealth transfer, to compensate for discriminatory practices that none of us were alive for, into the pockets of those that weren't directly aggrieved. Furthermore, eligibility for these payments will almost guarantee swift backlash. White people that have some slavery ancestry may find themselves eligible for a payout and black people that feel aggrieved for "systematic racism" may find themselves ineligible because their families immigrated after slavery ended. Since recordkeeping wasn't what it is today many descendants of slaves would have difficulty proving their lineage, further complicating the issue.

Compounding the issues will be the likely spillover effects for non-black families that immigrated after slavery. It would be wise to question the fairness of forcing people that had nothing to do with slavery to finance such massive payments with their taxes. Furthermore, poor whites whose families either didn't own slaves or have since lost any wealth associated with such past ownership will likely have strong objections. This will be compounded by the fact that reparations for slavery would also open the door for future payments to other groups such as Mexican Americans that were forcibly removed under the Mexican Removal Act, and Native Americans that feel they were not compensated fairly for their "stolen" lands.

This isn't just pure speculation, a 2021 Pew Poll found that 80 percent of whites disapprove of the idea, 58 percent of Hispanics, and 65 percent of Asians, with nearly 1 out of every 5 blacks disapproving and almost half of all Democrats polled⁷. The data suggest slavery reparations wouldn't heal this country but set off more internal strife.

The hard truth is that racial preferences in public policy have led to some of the most egregious injustices the world has ever known. Reparations for descendants of slaves would likely perpetuate a vicious cycle of racial grievances that will divide the nation along ethnic lines, eroding any remaining sense of national unity. Slavery was an abhorrent institution that deserves no defense, but there are no time machines in public policy. The evils done cannot be undone and the solution to the racially divisive policies of the past should not be new racially divisive policies today. The best way to expand human prosperity among all races is to judge people by the content of their character, not crafting policy on skin color.

3.) Diversity Programs Help Elevate People of Color

As noted above, the racial wealth gap has been stubbornly high for decades. Despite changes in racial attitudes and the proliferation of diversity programming, very little has changed toward enriching black families and closing historic inequities. Diversity seems like a religious tenet in corporate America and higher education. Nearly all major American institutions promote diversity initiatives. However, the effects of these programs are vigorously contested in the empirical literature.

For example, in 1965 President Lyndon Johnson's Executive Order 11246 required government contractors to implement affirmative action strategies to mitigate discrimination, extend opportunities to minorities and improve diversity. More than 50 years later, a 2022 study measuring the impact of the decades-old policy found it to be mostly null and ineffective at achieving the desired outcomes.⁸ Likewise, a 2018 study by Baylor economists looked at the proliferation of chief diversity officers in higher education at major American research universities from 2001 to 2016. The researchers found no significant evidence that hiring chief diversity officers affected the presence of underrepresented minorities in administrative, staff, or teaching positions.⁹

It's no secret among academics and practitioners alike that diversity programs simply do not work. A Harvard sociologist did a deep dive into 829 firms over three decades and found that mandatory diversity programming hurt black employees' chances of being promoted.¹⁰

In short, the notion that diversity decrees work is poorly supported by research. There are many theories as to why this is, but we offer a possible explanation. Humans are naturally hesitant to take responsibility for a problem they don't believe themselves to be a party to. They also don't believe non-engagement constitutes guilt. Just like most don't consider themselves complicit if a child starves

to death this year in a distant land, white people born well after slavery or even the Jim Crow era don't perceive themselves as being responsible for the black condition and are naturally resentful of claims to the contrary. Workers see themselves as responsible for their work and their actions, but not for the bad acts of others.

We believe it's reasonable to challenge the conventional thinking and predominant views on racial equity and achievement. Understandably, this is a very nuanced subject. We aren't seeking to offend, but to provoke discussion around serious issues. CURE seeks to be a voice for distressed communities, but we believe that for far too long common assumptions have perpetuated the status quo of slow to stagnant gains for the black community. We believe the first step to building a more prosperous future for all Americans is to move beyond an underlying assumption that no longer offers a better path forward for the black community or our entire nation.

¹ Derenoncourt, Ellora, Chi Hyun Kim, Moritz Kuhn, and Moritz Schularick. Wealth of two nations: The US racial wealth gap, 1860-2020. No. w30101. National Bureau of Economic Research, 2022.

² “African American Members of the U.S. Congress: 1870-2020.” Congressional Research Service, December 15, 2020. <https://sgp.fas.org/crs/misc/RL30378.pdf>

³ Derenoncourt, Ellora, Chi Hyun Kim, Moritz Kuhn, and Moritz Schularick. Wealth of two nations: The US racial wealth gap, 1860-2020. No. w30101. National Bureau of Economic Research, 2022.

⁴ McKay, Lisa Camner. “How the Racial Wealth Gap Has Evolved-and Why It Persists.” Federal Reserve Bank of Minneapolis, October 3, 2022. <https://www.minneapolisfed.org/article/2022/how-the-racial-wealth-gap-has-evolved-and-why-it-persists>.

⁵ “Black Elected Officials: A Statistical Summary.” Joint Center for Political and Economic Studies & U.S. Census, 2011. <https://www2.census.gov/library/publications/2010/compendia/statab/130ed/tables/11s0413.pdf>.

⁶ Robb, Greg. “Reparations for Black Americans 'Could Finally Lead to Closure': Sandy Darity.” MarketWatch. MarketWatch, January 12, 2023. <https://www.marketwatch.com/story/reparations-for-black-americans-will-cost-up-to-14-trillion-and-could-finally-lead-to-closure-economist-sandy-darity-says-11673541432>.

⁷ Greenwood, Shannon. “3. Reparations for Slavery.” Pew Research Center Race & Ethnicity. Pew Research Center, August 30, 2022. <https://www.pewresearch.org/race-ethnicity/2022/08/30/black-americans-views-on-reparations-for-slavery/>

⁸ Amano-Patiño, N., Aramburu, J., & Contractor, Z. (2022). Is Affirmative Action in Employment Still Effective in the 21st Century? <https://doi.org/10.17863/CAM.91997>

⁹ Bradley, Steven W., James R. Garven, Wilson W. Law, and James E. West. The impact of chief diversity officers on diverse faculty hiring. No. w24969. National Bureau of Economic Research, 2018.

¹⁰ Dobbin, Frank, and Alexandra Kalev. “Why Diversity Programs Fail.” Harvard Business Review, 2016. <https://hbr.org/2016/07/why-diversity-programs-fail>.