

## INFLATION REDUCTION ACT (IRA) REINFORCES THE NEED FOR PEOPLE OF COLOR TO INVEST MORE IN POLITICAL ADVOCACY

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Everybody knows that rising prices squeeze the poorest members of our community [the hardest](#). With inflation setting 40-year records, [hitting 9.1% in June](#), and wage increases failing to keep up, people are struggling to put food on the table, pay the rent, and put gas in the car.

So, you might think the legislation just pushed through Congress with a tie-breaking vote by Vice President Kamala Harris, called the "Inflation Reduction Act" (IRA), would bring relief to those who need it most - especially communities of color that have long been disadvantaged by structural racism and the economic inequality it perpetuates.

Unfortunately, the Inflation Reduction Act will do virtually nothing for communities of color. Not unlike Opportunity Zones in the Trump Administration, the Infrastructure law passed earlier in the Biden Administration, and other spending and tax proposals from the past, the benefits of the IRA will bypass our communities.

This legislation also fails to address wealth disparities. The median white family had a net worth of \$188,200 in 2019. The median net worth for a Black family was \$24,100. Add it all up, and there's a \$10 trillion wealth gap between white Americans and their black counterparts. As Vanessa Williamson at the Brookings Institute [recently wrote](#), "If Black households held a share of the national wealth in proportion to their share of the U.S. population, it would amount to \$12.68 trillion in household wealth, rather than the actual sum of \$2.54 trillion."

But instead of raising taxes on the rich, this legislation only imposes a new minimum tax on corporations, much of which they will pass on to consumers to preserve shareholder profits. So low-income workers will once again be hardest hit.

To further highlight the lack of effective advocacy by people of color in legislation, while the law includes large subsidies for electric vehicles, a provision to add [\\$100 billion](#) for urgently needed school modernization was removed.

So basically, this legislation was put together behind closed doors without input from representatives of communities of color.

They say the new legislation will lower drug prices by enabling Medicare to negotiate on prescription drugs. That may be so for a handful of approved prescription drugs. But provisions that would have reduced prescription costs for Americans on private insurance were cut from the legislation. And it does nothing to stop giant insurance companies from gaming the system through "pharmacy benefit managers," or PBMs, to maximize their profits at the expense of the most vulnerable patients.

Some 50+ years since the Poor People's campaign, it is imperative that we increase our advocacy and let our elected representatives know that this legislation is little more than a handout to the wealthy. They should insist that our communities get a much-needed hand-up, and we must demand they withhold their votes from legislation that does not include benefits for their constituents.

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