
On The Economic Legacy of Slavery

The Legacy of Slavery and the Racial Wealth Gap

Late summer of 1619, and the people who built our country are arriving after a long journey across the sea. These are not English colonists, but enslaved Africans, brought as captives across the unforgiving sea. They will live hard lives, full of manual labor and unjust treatment. They are essentially treated like property. Our land of the free could not have been built without enslavement. While White colonists built careers and accumulated wealth to pass through generations, Black slaves worked in the background. They fueled the economy and worked harder than most for little to no pay. Even after the civil war, and the abolition of slavery, Jim Crow laws and segregation held Black people back time and time again, preventing the descendants of slaves from trying to gain equal footing for themselves and their children in today's society.

Slavery gave white people an incorrect sense of supremacy, allowing Jim Crow laws and segregation to affect Black Americans from obtaining the fair treatment they deserved, and the effects of this mistreatment are still felt today. The legacy and impact of slavery lurks behind something that impacts every second of our daily lives whether it is known it or not: the economy. Slavery has oppressed people of color in our nation, preventing them from generating wealth and holding them back from the opportunities they have earned and deserve. Black Americans have been held back every step of the way to economic success and equality. To truly make this country the 'land of opportunities' for everyone who has been denied the possibility of equity and equality, changes are needed now.

"The median white family now has about 13 dollars in wealth for every dollar the median Black family has,"(Klein). This shocking statistic is a reality created by a toxic environment of slavery, Jim Crow laws, and racial prejudices today. For many years access to good housing in good neighborhoods was restricted to white people in America. "For decades, many banks in the U.S. denied mortgages to people, mostly people of color in urban areas, preventing them from buying a home in certain neighborhoods or getting a loan to renovate their house." (CBS). They prevented Black families from generating wealth to pass down through generations and to lean on in times of need. "The Census survey found that 74.5% of non-Hispanic whites owned equity in their own home in the fourth quarter of 2020. That's compared to 44.1% of Black,"(Amadeo).

Inherited wealth is another reason the racial wealth divide is so wide. "[H]ousing is the biggest component of wealth...46 percent of White families own their home, compared to just 17 percent of Black families."(Federal Reserve System). Familial wealth allows adults to buy homes in good neighborhoods with good schools, making life better and easier for their children. Jim Crow laws prevented free Black Americans from owning property or becoming equally educated. They were also not allowed to vote so that they could make changes in the government so that these discriminatory laws would be stopped.

These injustices kept Blacks from generating one of the most impactful things today: wealth. It's important to note the difference between wealth and income; income is the money one earns, such as a salary or "making a living", while wealth is the extra money, investments, and savings. Wealth is a safety net. Wealth allows career risks, such as going for a new promotion or starting a business, even buying a house. It also allows those with wealth to have an emergency fund that will make sure a disaster doesn't have as devastating an impact. In history, it is seen that sometimes when Black people did start generating wealth, angry white mobs, sometimes associated with the KKK, would physically destroy their property and assets, even sometimes physically harming them (examples including the Tulsa Massacre). They had a sense of supremacy after

decades of slavery that wrongly justified their actions. Even after ending slavery, racism and white supremacy skyrocketed. Black people were held back and economically injured by citizens and the system built to do them more harm than good.

For Black students seeking higher education, many challenges stand in the way. “Black students on average have to take out larger loans to get through college than their White peers.”(Inequality.org). It can be harder to get into these elite palaces of learning. The US has limited access to skills and education, so often it's important to go to college to advance careers. “Only 15% of Black students attended a highly selective institution, and only 8% of Black students attended an elite research institution.”(The Postsecondary National Policy Institute). Many Black students have a hard time gaining access to this first-class education.

Another challenge that stands in their way is, again, wealth. If their families don't have as much wealth, they have to take out larger student loans. The quote above shows that it can be harder for Black graduates to pay back these student loans as the jobs they get usually have lower income rates than their White counterparts. “This disparity in student debt is made worse by the challenges of paying it back, as “Black Bachelor's degree and Associate's degree holders earn 27 percent and 14 percent lower incomes, respectively, than Whites with the same degree.”(Inequality.org). This makes the debt accumulate, and can put them at an economic disadvantage.

This oppression cannot be allowed to persist, and there must be changes. Changes will be hard to make and will impact many in the search for equity and equality, but progress is never easy. “[T]he deep and persistent racial wealth divide will not close without bold, structural reform.”(Inequality.org). There are many proposed ways to help make up this divide in our economy to help put the citizens on equal footing. For example, Inequality.org writes about the Baby Bond Program. “[The baby bond program has the] potential to reduce the current black-white wealth divide by more than tenfold...Another study shows that had [the] baby bond program been initiated 40 years ago...the black-white wealth divide would have shrunk by 82 percent.”(Inequality.org). The Baby Bond Program is a program proposed to help close the racial wealth design, specifically to help the problems with inherited advantage. It proposes that the government make an investment for children when they are born for them to use when they reach adulthood. This fund can help with higher education, buying a home, or starting a business.

Reparations to descendants of enslaved people who were unable to build generational wealth because of Jim Crow and slavery are also another solution. This would help make up for the cruelties committed during slavery and the lasting impacts. These reparations are usually made from the federal government, which means it would likely have to go through Congress and the Senate, which would take a lot of time and effort. While the idea is popular, it's not always realistic in a timely manner.

Another solution would be to raise the minimum wage. “Black [people are]....twice as likely as white workers to be among the ‘working poor’, meaning they have a job, but that job doesn't pay enough to cover basic living expenses.” Working a job that barely or doesn't cover living expenses prevents individuals from generating wealth, or excess money, which as discussed, has negative impacts on the individual's own life and the lives of their descendants. Raising the minimum wage would help decrease poverty and the working poor.

As expressed, slavery has had an immense impact on the economy today. It mainly impacted who was able to produce wealth and who passed this wealth throughout generations. Without this financial safety net, it created challenges that those who had more wealth did not face, including educational challenges, housing challenges, and challenges in their career. These racial inequalities need to be addressed with immediate

action. There are many proposed solutions, but they need to be implemented by our representatives in office. Slavery still impacts Black Americans every day, as this invisible oppressive system puts them at a disadvantage time and time again.

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