Phil 318: Handout on Oliver and Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality*, 10th anniversary edition (2006).

Oliver/Shapiro contribute to our understanding of racial inequality by making 6 different, though related, points:

1. O/S describe historical processes by which unjust racial inequalities have been generated and sustained, thus providing (part of) an answer to Lebron’s criticism of Mills that Mills fails to explain what keeps “white supremacy” going.

2. O/S show how processes that took place at an earlier point in time can be part of the causes of present-day inequalities. (They don’t really show this in the part of the book you read.)

3. O/S show the importance of what they call “wealth” (less misleadingly referred to as “assets” or “net worth”)—the value of what a person owns (e.g. a house, car, business, stocks) minus the value of what they owe (student debt, credit card debt, etc)—compared to the more traditional focus on income, when examining socio-economic inequalities of a racial nature. “Wealth” captures the historical dimension of these inequalities because it involves assets that parents pass on to children (during their lifetime, and after in the form of inheritance), and thus is better able to shine a light on the historical disadvantages of American blacks. “Wealth” allows individuals to change jobs, pursue an education, and start their own business (in addition to helping their offspring). It also helps people pay their bills during an economic emergency such as a layoff or unforeseen health emergency.

4. O/S show how *class*-based processes (such as property valuation, asset accumulation, e.g. through increases in value of your stock portfolio, or 2008 mortgage crisis) can contribute to *racial* disparities through having a “disparate impact” on different racial groups because of patterns of historical racial disadvantage. Although I think the authors’ explicit discussion of race and class [on 36-37] is somewhat confusing and confused, we can pull out an important lesson about how both class processes and racial processes contribute to racial inequities. Overall (class-based) inequality has been rising in the United States, basically for about 40 years; this is well known. How does overall inequality impact specifically racial inequality?

5. O/S show that the federal government played a significant role in creating, sustaining, and amplifying racial inequities; it was not only a product of private discrimination. It was both. This governmental aspect has been emphasized in more recent scholarship on racial inequities.

6. Historical processes O/S discuss illustrate the phenomenon of what has been called “institutional racism.”

Oliver and Shapiro’s 4 historical examples:

1. The Homestead Act of 1866 and land redistribution during the Reconstruction era (1865-77) [pages 13-15]
2. Housing/suburbanization policy in the 1930’s-1950’s [pages 16-19, 41-43]
3. Discrimination in mortgage lending in the early 1990’s [first edition of the book was 1996] [pages 19-22]
4. Old age insurance (social security) from the New Deal era (1930’s) [page 40]

Current “wealth” disparity (as of 2016): Median white household wealth: $171,000. Median black household: $17,600. Median Latinx household: $20,700 (source: “Systematic Inequality,” Center for American Progress, Feb 2018). (I couldn’t find comparable stats on Asian Americans. One source said it was similar to whites; but A-A also have a wider economic spread, so more poverty.)

The median net worth for non-immigrant African-American households in the Greater Boston region is **$8**, according to “The Color of Wealth in Boston,” a 2015 report by the Federal Reserve Bank of Boston, Duke University, and the New School. It is **$247,500** for whites**. $12,000** for Caribbean blacks; **$3,020** for Puerto Ricans; and **$0** for Dominicans.