

Manoj Mohanan:

I'm going to read you a quote that's very striking to me. There is an enormous gap in the wealth between Blacks and Whites in the United States. This gap is fully captured by the fact that Blacks make up about 13% of the population, but possess only about 2% of the nation's wealth. This corresponds to a condition where the average Black household has \$840,000 less in net-worth than the average White household. As a consequence, there is this gaping chasm in opportunity and the capability to participate in a society. And there's ultimately denial for access to the material conditions for full citizenship in the United States.

That quote is from my guest today, William A. Darity, or as we lovingly know him, Sandy, a renowned professor at Duke. I'm Manoj Mohanan, Interim, Dean of the Sanford School of Public Policy at Duke University. Welcome to Policy 360 and another in our series of conversations related to the 2024 election.

Sandy Darity is especially knowledgeable about racial wealth inequality, which is how and why some Americans have more wealth than others, and his research delves into what policies might address this issue. Today we'll talk about historical precedents that have led to political and social tensions that we see in the US today, and what policies might help address these problems. Thank you for joining us, Sandy.

Sandy Darity:

Thanks, thanks for having me.

Manoj Mohanan:

So Sandy, it occurs to me there's a lot of angst going into this election, particularly the events of January 6th 2021. And in your book, your latest book, *The Black Reparations Project*, you dive into the historical narrative behind this event. In fact, you see a connection between earlier coup attempts and January 6th, is that right?

Sandy Darity:

That's exactly right. Dana Bash has a new book, Dana Bash, the CNN commentator, has a new book in which she compares the Colfax Massacre in the 1870s to the events of the current election. But in the opening chapter of our edited book, *The Black Reparations Project*, my partner, Kirsten Mullen, and I actually talk about the parallels between January 6th and several massacres that translated into coup attempts, successful coup attempts at the municipal level in the United States.

Manoj Mohanan:

And when you say several, if I remember correctly, the number of these massacres is staggering, over 100 even.

Sandy Darity:

Well, there's more than 100 massacres, but there's probably in the vicinity of five or six events that constituted attempted coups, and they were all effective in that period of time. So people frequently think that what took place in Wilmington North Carolina in 1898 was the only municipal coup d'etat, but this is not the case. There's Colfax that Dana Bash's book investigates, but there was also Coushatta Louisiana, Vicksburg Mississippi, there was Fort Bend County in Texas. Now all of these are instances in

which legally-elected public officials were thrown out of office and replaced. And some thrown out of office, not only by being forced into refugee status, but by being killed.

Manoj Mohanan:

So pushing further on that, there are some who might say the January 6th insurrection was badly done, and thus insignificant. Given that you've thought a lot about this topic and written about it, what are your thoughts about the Jan 6th insurrection, the history of massacres that have happened, and the insurrection in general?

Sandy Darity:

Well, some people say it wasn't an attempted coup because it wasn't successful.

Manoj Mohanan:

Right.

Sandy Darity:

But that doesn't mean it wasn't an attempted coup. And the effectiveness of it is not necessarily a signal about what would happen if there is a renewed attempt. The thing that's really a danger about the Trump Presidency is that he has served a term in office, and I think he knows where all the levers are now. And, I would anticipate in a situation in which he is not elected again, that he might pull a different set of levers in terms of trying to engineer a new coup d'etat. I think this is something that we have to be very prepared for.

I'm concerned about a host of ways in which the participation in the election is being restricted or limited. That there's a renewal of the types of strategies that were pursued by the ex-Confederates in the aftermath of the world in the aftermath of the Civil War to exclude Black voters from participating in elections. And we see some of those same tactics being pursued now in terms of trying to make it extremely difficult for people to register, making it extremely difficult for people to vote if they are not voting in person, things that involve the establishment of certain kinds of residency requirements that we have not used in the past. So all of these things come into play, and it's clear that it's measures that are in place to try to reduce the vote that might take place against Donald Trump.

Manoj Mohanan:

Got it. So staying on the topic of elections, but looking at a different aspect of your own expertise, let's think about your research as an economist and how that intersects with some of the issues in the current election. So we are hearing a lot about policies that affect prices at the grocery store. So do you think that some of the policies that the candidates right now are debating over might actually affect prices for households?

Sandy Darity:

It's possible. I think that there's a tendency to overstate the extent to which any individual Presidential regime affects the performance of the economy. If we go back to the Trump Presidency, for example, I don't think anybody would've anticipated the COVID crisis. And insofar as we couldn't anticipate it, we also could not anticipate the effects on the economic side of our lives. So I don't necessarily want to hold the Trump regime responsible for the pandemic taking place. We could hold them responsible for

the nature of the response to the pandemic. But again, the economic slowdown that took place as a consequence of the pandemic is not something that is necessarily attributable to their policies.

But similarly, the high rates of inflation that we experienced during the first years of the Biden Presidency are not necessarily due to policies that the Biden regime conducted. I think it's a holdover from the pent-up demand that was associated with the attempt to cope with actually with the great Recession and the pandemic. So, this is an interesting question, is what policy levers can actually be pulled that would have a major effect? And I'm just not certain.

Manoj Mohanan:

Yeah.

Sandy Darity:

I'm not certain about the extent to which a regime of price regulation would actually bring down prices. And at the same time, which is what I think to some degree, there's some kind of price regulation strategy that the Harris team has in mind, particularly when they talk about corporate greed and corporate price gouging. There must be some strategy they have in mind for trying to limit price increases that are put in place by corporations.

On the other hand, the Trump group says that they're very much against rising inflation also, but they are also advocating tariffs. So there could be a number of valid reasons for pursuing tariffs, but one of the effects of a tariff regime is to raise prices. So, I'm just not sure what to make of all that. It's not central to my sense of what's important in the campaign. The thing that's important to me is January 6th and its implications.

Manoj Mohanan:

Indeed. But staying back on the topic, staying on the topic of the policies, as you mentioned, there is one policy that is close to your own research, and that's around the Harris Campaign proposing that new parents receive a \$6,000 bond from the Federal Government, and in the past you've talked about a similar proposal. So, what was your thought when you first heard about this proposal from the Harris Campaign? And tell us a little bit about the research that might tell us about the effectiveness about that.

Sandy Darity:

I think it's potentially useful and helpful. I think it's more conservative than the proposal that Senator Cory Booker has developed for what he calls Opportunity Accounts. It seems like the term, opportunity, is extremely popular these days. But the Opportunity Accounts project is something that was based directly on the work that I have done with collaborators on the development of the Baby Bonds proposal. And the idea of opportunity accounts is that each newborn infant would receive an endowment or a trust account that they could access when they reach the age of majority. And that this trust account would be in some way calibrated to the resources that their families have. In the work that was originally done on baby bonds, the idea was that the calibration would be based upon the wealth position of their families. In the Booker proposal, the ideas that each newborn infant would get a fixed sum of money, say \$1,000. But then they would get an adapted amount, or a flexible amount, in subsequent years based upon their family's income.

And I think the reason for using income instead of wealth was the sense of Booker's staff that it's more difficult to actually measure wealth in an accurate way, but it's not impossible, but it is harder. And so

they could use income tax data to try to get information about the income position of households. We don't have a wealth tax apparatus that's comparable.

Manoj Mohanan:

On the topic of wealth, I read that quote from you at the beginning of this podcast about the massive racial wealth gap between Black and White Americans. Are there other policies other than reparations that could address this gap?

Sandy Darity:

Probably any policy that provided a sum of money that was sufficient to close the gap, whether we called it reparations or something else, would be effective. I've had a tendency to say that if we are going to engage in an act of restitution, two Black Americans whose ancestors were enslaved in the United States, the minimum thing that that act of restitution should do is eliminate the racial wealth gap. And it's interesting that you selected that particular quotation because the bill is actually larger now.

The data that was in that quotation is from the 2019 Survey of Consumer Finances where the gap between Black and White households on average was \$841,000 or so. If you look at the 2022 version of the Survey of Consumer Finances, you'll find that the gap is now \$1.15 million. So, if you use the 2019 figures, then the amount that would be required to close the gap would be about \$14 trillion. If you use the 2022 figures, the amount that would be required to close the gap would be closer to \$16 trillion.

And whether or not you call that reparations, that's the amount that would be required to eliminate the racial wealth gap. And don't believe you can do it effectively if you use indirect measures or some type of program that is universal, with one exception. And, this is an exception that became apparent to me as a consequence of some work that Javier Jarassi did for a special issue of the Russell Sage Foundation's Journal that I was one of the four editors of, that's devoted to reparations.

The original version of the Baby Bonds Program would give each individual infant somewhere in the vicinity of \$25 to \$30,000 at birth, which is more than the \$6,000 credit that Vice President Harris has in mind. Although, again, I don't want to dismiss the \$6,000 credit, but it's significantly more. And families that the lowest end of the wealth distribution, the idea was that their kids should get something closer to \$50 to \$60,000.

But the key point is, that that's a calibration based upon the median level of wealth in the United States. And when I gave you the \$840,000 figure, the \$1.15 million figure of the gap, that's a figure that's measured at the mean, or what we conventionally think of as the average. And people frequently want to use the median because they say it's more representative of the typical household's experience. But if you do that when you're thinking about the racial wealth gap, you're going to have a situation in which you're ignoring 97% of the wealth that is held in the United States by households or individuals. And that's because 97% of the wealth in the United States is held by households that have a net worth above the middle of the distribution, above the national median.

And that concentration of wealth at the upper end of the distribution is not just due to the fact that there's a handful of billionaires. If we look at the racial difference in the pattern of concentration of wealth, about a quarter, 25% of White households have a net worth in excess of \$1 million. And that's true for only 4% of Black households. So my argument is, if you're really truly concerned about eliminating the racial wealth gap, you've got to look at the mean gap rather than the median.

So, since Baby Bonds was predicated on the median, Baby Bonds as currently constituted would not eliminate the racial wealth gap. However, you could construct a Baby Bonds project that targeted the

mean. And it would be a universal program because it would be available to all newborn infants, but you could construct it based upon the mean gap for any individual household, how distant the child is from the mean position of wealth in the United States. And if you did that, you could have a universal program that would effectively eventually close the racial wealth gap.

Manoj Mohanan:

Thank you. And so when you think about, you told us about the cost, it might cost the US what is \$16 trillion if I recall correctly, do you see either of the candidates who are running for election in this cycle endorsing the idea or thinking about ways in which how the US might be able to afford that, if you wanted to do this, even?

Sandy Darity:

I don't think either of the candidates have made a commitment to a true reparations project.

Manoj Mohanan:

Okay. So that means there's a lot of work to do. In which case then, let me ask you, how would you encourage our listeners and the Policy audiences in general to think about the discourse surrounding this project? If you had to make a pitch for helping us think about the problem differently, what might you tell them?

Sandy Darity:

Well, I think that one of the key issues is that folks who are opposed to it do not think that there is a case of merit for the distribution of reparations monies to Black American whose ancestors were enslaved in the United States. And so, that's been a significant aspect of the type of research that I've been doing.

Some of it embodied in the book that Kirsten and I wrote called, *From Here to Equality: Reparations for Black Americans in the 21st Century*. Some of it embodied in the edited volume, the Black Reparations Project where there are contributions from multiple scholars, but all attempting to make the case that indeed there is a meritorious basis for distributing reparations monies to Black American descendants of US slavery. And it's predicated on the fact that the racial wealth gap in and of itself is an indicator of the cumulative intergenerational effects on living Black Americans of White supremacy.

And so, from our perspective, there's a rock-solid case for reparations. So, we're attempting in a sense, to address what I think is the biggest reservation that people have about this, is that the notion that Black people whose ancestors were enslaved here don't deserve reparations. And so we're trying to make the argument that in fact, they do, because of the way in which American public policy has unfolded with respect to the racial distribution of assets. But, on top of that, I think there is actually changing sentiment in the United States around this issue. And so the real question is whether or not we can seize upon the positive direction that these attitudes are taking and build momentum and further support for a reparations plan that could translate into having different elected officials in Congress who would be supportive of establishing such a program.

The key statistic for me in terms of people's attitudes, is the fact that in the year 2000, a survey that was taken by Michael Dawson and Ravana Popoff at the University of Chicago, found that only 4% of White Americans endorsed monetary payments as reparations for Black Americans. A survey that was conducted by the University of Massachusetts Political Science Survey Team in January 2023 found that that figure was now closer to 30%. So we're still not in the 45 to 55% zone that would be necessary to

make this really politically viable. But, 30% is a heck of a lot better than 4%. And the question is, can we actually take advantage of that shift in perspective?

Manoj Mohanan:

Well, I really hope that your research and your writings about the topic will help more people learn about the discourse and shift the needle further from 4 to 30 is good, but hopefully from 30 to 50. So I wish you luck, Sandy, and thank you so much for joining us today.

Sandy Darity is the Samuel Dubois Cook Professor of Public Policy, African and African-American Studies and Economics, and the Director of the Samuel Dubois Cook Center on Social Equity at Duke University. You can learn more from him by diving into one of 13 books he has edited or published, or take a look at one of his hundreds of published articles on these topics. And, if you're a Duke student looking for classes in the spring semester, I'd certainly look up Professor Darity's courses to add to your short list. That's all we have time for today, we'll be back soon for more conversations as we get closer to the election. I'm Manoj Mohanan.