

The racial wealth gap between blacks and whites



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Slavery and segregation played a major role in the amount of racism and inequalities in America. During slavery times, Whites had the power to purchase Blacks and land. If the Blacks were fortunate enough to be able to accumulate the money, they were able to purchase their and their families freedom. (Oliver and Shapiro 278, 1995) However, this seldom occurred due to the fact that it was very hard for Blacks to gain any money while in slavery. During the Jim Crow segregation in the south, there were laws prohibiting Blacks from operating businesses on an open market, meaning that they were not allowed to sell their products to Whites. (Bobo and Smith 187, 1998) They were at a disadvantage because they could not make the profit that they deserved simply due to their skin color. After the segregation, Whites were still not willing to help out and purchase from Black businesses. Because of this, Blacks were forced to focus mainly on selling to the Black community. Since the Blacks were very limited on what they could sell, this caused them to be more like a consumer than an owner. Since past generations of Blacks had to endure this racism and inequality, their poverty has been passed down from generation to generation; families have been unable to or struggling to get out of the debt of their ancestors. Each disadvantage that the Black community as a whole has had to endure has accumulated over time creating the sedimentation of inequality. Whites have gained more advantages over time simply resulting from the disadvantages that the Blacks have gone through.

The restriction of access to schools, jobs, healthcare, and public services are products of segregation. The freedom of choice restricted from the Blacks has been legally sound while progressing through the centuries but has

always been immoral. In 1988, only 50% of White Americans favored a law prohibiting racial discrimination in housing sales and rentals. (Farley and Squires 221, 2005) Housing policies, programs, and practices have played a large role in the gap of wealth between Blacks and Whites. In 1939, the FHA manual prohibited granting loans to families due to race. (Fischer 140, 1996) This meant that they didn't want to ' disrupt the racial integrity' of a neighborhood. They wanted neighborhoods to be occupied by the same racial and social classes to ' retain stability'. During the 1940's, the FHA recommended that developers use covenants that were racially restrictive to ' protect' from people of color. (Fischer 140, 1996) Because of this, Blacks and other people of color could not buy homes in most of the neighborhoods that Whites lived in; the middle class communities. In the 1940's, the government began helping families buy homes by backing the loans. In order to get a loan, the house had to be in a neighborhood that was in the top two of four categories. The assessors used a red pen to circle the neighborhoods that fell into the bottom two categories. This was called redlining, and the neighborhoods that fell into these bottom categories were primarily Black neighborhoods. These neighborhoods were ineligible for the loans which caused racial segregation throughout cities. Also, Blacks could not buy homes in the most affordable neighborhoods. Public housing projects were built in the redlined communities. The 1949 Housing Act was a renewal program that was aimed to get rid of the inner city ghettos, and to remove many people from their homes by condemning them, forcing them into public housing. The majority affected by this were Blacks. The Whites then began to leave cities and move to the suburbs, bringing the middle-class jobs with them. Racially restrictive covenants were ruled illegal in 1948, yet

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they were not enforced by the FHA until 1950. (Fischer 141, 1998) This meant that communities were able to segregate based on color without issue. Once racial segregation was made illegal within neighborhoods, 'White Flight' became an issue. White flight was when White families would leave neighborhoods when a person of color would move in because they thought that they would lower the property value and the overall value of the neighborhood. Although this was legal, the morals behind it were cruel and unethical causing racism to spread more and causing the gap to widen.

The media and the overall sense of racism within communities played a large role in the gap of wealth and social standing between Whites and people of color. The media has often portrayed Blacks as lazy and not wanting work. Also, in many cases the media has portrayed Black women as welfare reliant, wanting to 'have babies to receive welfare checks'. This was because of AFDC, a welfare program that seemed to give incentive to women to have children so that they could gain more welfare benefits. (Week 5 &6 PowerPoint, slide 54) AFDC also was only available to single parents which caused the split of many Black families because of their need for money. However, the fact that Black women were believed to take advantage of this was a racial stigma spread by the media. This has caused the people and viewers to grow to learn these racist and biased opinions. Although the act of being racist can be the belief that one race is superior to another, it can also be colorblind. This means that there is a direct avoidance and acknowledgement of race. If one is a 'Colorblind Racist', they neglect that there have been and still are inequalities that need attention. (Silva 132, 2001) Nowadays, people may believe that they are not being racist if they

completely rule out the fact that there is race, which causes them to not pay attention to the fact that there are racial inequalities. Presently, there are still many racial inequalities contributing the gap in wealth between Whites (and in some occasions Asians) and people of color. These issues still need to be addressed in order to lessen the gap. Another type of racism that is contributing to the neglect is Laissez Faire racism where excuses are made to try to justify why the injustices are still present. The “ structures of investment opportunity” the racialization of the state attribute to the tremendous inequality in wealth between Whites and people of color. Structural racism is embedded in social structures such as laws and policies. New Deal legislation such as Social Security systematically excluded Blacks in the earlier years. As welfare recipients became viewed as primarily Black and undeserving, welfare benefits became political targets and antipoverty programs were cut. TANF was a state-funded welfare program that gave the state control of who is eligible to receive welfare. This enabled the state to be racially selective and caused families to deplete all resources to gain aid.

The gap of wealth between Blacks and Whites has been prevalent for centuries. The past events and laws have contributed to the current racial inequalities. Slavery and segregation, housing sales and restrictions, and state-funded welfare all add to the current state of discriminations and imbalances of race in our communities. If these issues were assessed more accurately and unbiased, we could potentially close the gap between Blacks and Whites and finally have an equal society.