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## What's the 'Color of Wealth'?

by Sean Gonsalves

I'm morally exhausted from dealing with, and talking about, race too.

But if we're going to have a conversation, I like the tone and tenor set by the Senator from Illinois after being forced to go there because of a transparently hypocritical "controversy" in which the black guy is predictably caricatured as "anti-American" and/or "anti-white reverse racist."

In his historic Philadelphia [speech on race](#), Obama envisioned two parallel tracks "on the path of a more perfect union."

Black America, he advised, should embrace "the burdens of our past without becoming victims of our past," while white America, Obama Wrightly noted, ought to honestly - and without guilt - confront the fact "that what ails the African-American community does not just exist in the minds of black people; that the legacy of discrimination - and current incidents of discrimination, while less overt than in the past - are real and must be addressed."

Before there can be meaningful discussion, typical Americans will need to come face to face with some meaningful facts about U.S. economic history. Beneath the superficial race talk is the very real and complex issue of the color of wealth.

Actually, the important book [The Color of Wealth](#) - written by a multi-racial research team at [United for a Fair Economy](#) - is as good a resource as any to delve into the complexity of race and class in America. It's also a good way to get acquainted with some basic history that helps explain this great country's persistent racial wealth divide.

The racial impasse: according to poll after poll, the majority of white America sees African-American economic prospects being just as good, if not better, than their own. The general perception in white America is that "the playing field is level," the polls tell us. And, if you're an ethnic immigrant, you don't see what all that white supremacist history has to do with you anyway. Yet, a good segment of black America, continues to talk about the persistence of "institutional racism" and how whites have an unfair and unacknowledged advantage etc.

Starting with the (obvious) observation conservatives seem to think is some kind of sublime insight into human nature, The COW points out: "of course, individual effort does make a difference in financial success, compared to how the same individual would have fared without putting forth an effort. But Americans begin the race from different starting lines. Not only do well-off people, primarily whites, have significant head starts, but even many working-class whites have modest advantages when compared with working-class people of color, most of whom begin far behind whites' starting line."

So while it's true, for example, that black per capita income doubled between 1968 and 2004,

jobs and income are only one small part of the picture. Wealth and assets, and how these economic foundations cascade down through generations by way of inheritance, is at the heart of the matter.

If you look at Census data, The COW correctly notes that "three-quarters of white people own their homes, while a slight majority of people of color are renters. In times of inflation, housing becomes easier to afford for homeowners with fixed mortgage rates, while renters see their housing costs rise."

"In times of recession or depression, those with savings accounts can better weather unemployment, while those without savings can be sunk into debt and deprivation. And in times of economic growth, those with assets can invest them or borrow against them to take advantage of business opportunities."

It gets deeper.

And Thomas Shapiro goes deep in analyzing the research on race and inheritance in The Hidden Cost of Being African American. Shapiro, a sober-minded white guy, reports that whites are much more likely to inherit money from deceased relatives than people of color, noting that one in four white families received an inheritance after a parent's death, averaging \$144,652, while only one in 20 black families inherited money or assets with an average worth of \$41,985.

Another study found that as of 1989, one third of white baby boomers stood to inherit more than \$25,000, compared to one in 20 black baby boomers.

Those numbers indicate that most white people DO NOT get any inheritances from deceased family estates. But when Shapiro interviewed black and white working class families, he found it far more common for white working-class families to hand down modest sums.

And as The COW points out, "whites who get such help often don't think of themselves as inheritors, but consider such transfers to be just a normal part of family life. Contributions to a down payment on a house and college tuition are the most common forms of family financial aid."

"About half of white families give this kind of head start to young adults, compared with about one in five black families."

Citing Shapiro's scholarship, COW notes that "in white families, money flows from parents to children, while in black families, money flows from adult children to their parents and other relatives."

None of these tip-of-the-iceberg facts means that white Americans haven't really earned it, or worked hard. But it does point to the inescapable importance of previous generations' economic status in explaining present day wealth distribution - whether a family's financial foundation goes back to the 1862 Homestead Act when millions of acres of land were given to whites exclusively; or involves GI Bill college benefits used by millions of white World War II vets not accessible to most blacks because of segregation; or traceable to restrictive property covenants that prevented white home owners from selling to black buyers until the 1950s.

Personal responsibility? YES. But, as Shapiro puts it, "the real story of the meaning of race in modern America must include a serious consideration of how one generation passes advantage and disadvantage to the next. While ending the old ways of outright exclusion, subjugation, segregation, custom, discrimination, racist ideology, and violence, our nation continues to reproduce racial inequality, racial hierarchy and social injustice that is very real

and formidable for those who experience it.”

We can't even begin to have a fruitful talk about race without acknowledging some basic historical facts, without which you can color this whole debate stuck on stupid.

*Sean Gonsalves is a syndicated columnist and assistant news editor with the Cape Cod Times. He can be reached at [sgonsalves@capecodonline.com](mailto:sgonsalves@capecodonline.com)*