

Unjust and Unfair: Consequences of the Racial Wealth Divide

Episode 6 - Case Study: The Atlanta Wealth Building Initiative

[00:00:00.00] [MUSIC PLAYING]

[00:00:11.49] This is In Solidarity, a podcast where we draw connections between power, place, and health, and discuss how our lives, our fates, are all interconnected. Here are your hosts, Ericka Burroughs-Girardi and Beth Silver.

[00:00:26.07] Hi, there, and welcome to the sixth and final episode of our miniseries on the racial wealth gap. I'm your host, Beth Silver, here with my co-host, Ericka Burroughs-Girardi. Hi, Ericka. How are you?

[00:00:37.77] Hi, Beth. I'm doing great. I'm excited for the final episode of this series but, if I'm honest, a little sad, too. I've learned so much through these conversations. How are you feeling about it, Beth?

[00:00:50.46] I have to say I'm stunned by the gravity of it all and, at the same time, I'm hopeful. There are proven solutions to closing this insidious inequity, the racial wealth gap. We think of it sometimes as a divide between white and Black Americans and for good reason. But the wealth disparities impact communities across the country and many people of color.

[00:01:11.68] So true. This is an issue for all of us. And on that note, I think we've got the perfect way to finish this series. The Atlanta Wealth Building Initiative is currently working answer many of the things that we've been talking about in this podcast.

[00:01:26.44] In this episode, we're going to wrap up our series on the racial wealth gap with a conversation with Latresa McLawhorn Ryan. She's the executive director of the Atlanta Wealth Building Initiative. The initiative reimagines economic realities in communities of color through community wealth-building strategies that leverage ideas, people, and capital.

[00:01:47.34] Atlanta is an example of how looks can be deceiving. Some people think that Atlanta is America's success story in terms of Black prosperity. But in reality, according to the folks at the Initiative, almost 70% of Black families in Atlanta are asset-poor. That's compared with only 22% of white families. And the median household income for white people in Atlanta is three times higher than for Black people.

[00:02:15.51] And although Atlanta boasts a good number of Black-owned businesses, the Atlanta Wealth Building Initiative also reports that white-owned companies make 10 times the revenue of Black-owned companies.

[00:02:27.60] I think that's why Atlanta is such a good place to focus on as we wrap up this series, Beth. The problems are pronounced, but they're being addressed.

[00:02:36.81] That makes me think of the data spotlight on children living in poverty that we did last year at County Health Rankings. If you look at Fulton County, where most of Atlanta is located, 22% of children live in poverty, which is above the national average of 17%. But if you break it down by race, more than 33% of Black children in Fulton County live in poverty, while only 4% of white children do. That is shocking.

[00:03:02.64] That is shocking, Beth. And as a Southerner, the first question that comes to mind when I hear these awful statistics is, is this a Southern problem? But the data show us it's not. It's an American problem. It's something you find across the country.

[00:03:18.43] That's why I'm so excited to introduce our guest. The Atlanta Wealth Building Initiative solutions are focused on Atlanta, but they are generating a roadmap for so many diverse communities. With that, please help me welcome Latresa McLawhorn Ryan.

[00:03:33.71] [MUSIC PLAYING]

[00:03:39.16] Hi, Latresa. How are you today?

[00:03:41.45] I'm pretty good. Hi, Ericka. Thanks so much for having me.

[00:03:44.14] Well, thank you for being here. And I want to start with this question that we've been asking all of our guests. On In Solidarity, we center the theme around social solidarity. So what does social solidarity mean to you, and how does it influence the work that you do?

[00:04:02.73] To me, social solidarity is really focused on bringing together the right partners, the right voices, providing agency to those voices and resources, so that we can all collectively move our work forward, so we can collectively address the social issues that we have dedicated ourselves to addressing. In Atlanta, specifically, Atlanta has the narrative and, certainly, the reputation for being the Black Mecca.

[00:04:34.11] But Atlanta is also number two in income inequality, just behind San Juan, Puerto Rico. And Atlanta is always, and has been for several years, towards the bottom of the list for economic mobility.

[00:04:48.31] So while Atlanta is a bustling economy with so much to offer, a lot of our residents don't get an opportunity to share in that prosperity. And so for us and for me, the thing around social solidarity is really at the core of our work. Movement building is one of our core pillars of our theory of change and, we have found, is the most effective way to address issues centered around racial wealth equity.

[00:05:22.08] Latresa, you mentioned the income inequality. Is that holding true for wealth building, as well?

[00:05:30.03] It is. And so, for example, for Black families-- well, you mentioned wealth, specifically. So in Atlanta, for example, let's just take our Black business owners. The average value of a Black business in Atlanta is \$58,000, compared to \$658,000 for a white business

owner. And so these disparities exist across the board, whether it be income, wealth, assets and some of what we'll talk about today around disparities around health and education and intersectionality of all of those pieces.

[00:06:10.20] Can you tell us-- let me just back up a minute here-- can you tell us a little bit about what the Atlanta Wealth Initiative is and how it came about, how it started?

[00:06:19.48] Sure, sure. The Atlanta Wealth Building Initiative is a nonprofit intermediary organization focused on closing the racial wealth gap. And we do that by leveraging national and international best practices, sharing those practices broadly throughout our ecosystem, but particularly with our community of practice, which is about 50 non-profit government, quasi-government, and philanthropic organizations that really help ground our work but also help inform the work ahead.

[00:06:49.03] And in the community of practice, going back to your question around social solidarity, that piece of our work is so critical because our community of practice actually set out the course to determine what AWBI would become and how we would show up in community and, quite frankly, what they needed to move the work forward. And as an intermediary, that's really core to what we do.

[00:07:11.05] We also focus on our strategic investments. And so we provide grants to nonprofits to support capacity building, as well as grants to support innovative prototypes. Often, we emphasize that the best solutions often come from those who are on the ground, actually doing the work.

[00:07:31.31] And those solutions are usually informed by their day-to-day interactions with the people that we're trying to help. And so they have a great lens on what will actually be effective and impactful. And so their voices and the work that they determine is needed is really important to invest in.

[00:07:49.84] And often, with philanthropy, because those ideas are new or, in some cases, radical, traditional philanthropy may be less inclined to support that work. But AWBI is here to support proof of concepts, create prototypes, co-design.

[00:08:08.47] Because for us, it's just as important to know what doesn't work as what does work, particularly for our work around closing the racial wealth gap, where, left unchecked, will take more than 200 years to address. And so it's really important to test and determine what will work.

[00:08:25.84] And just finally, I would say for our work, it's centered on providing capital. So we provide grants and loans and innovative financial products to small businesses and Black-owned small businesses.

[00:08:38.83] Wow. It seems like you're such a valuable resource for businesses there. Can you just give us a couple examples of what that capacity-building support that you mentioned, what does that entail?

[00:08:55.66] Our capacity-building funding is focused on making sure that we serve as a multiplier for that work and can ensure that their work grows, and they have an opportunity to make the impact, not just in their neighborhood but perhaps implementing those strategies across the region. And for those organizations, they tend to also be really dedicated to the work. And they're authentic in their approach. And as a result, there can be a tendency to want to pour out all resources versus investing it in the infrastructure.

[00:09:32.71] And so what we do, for example, acting as a partner, we certainly provide funding, but we also say-- let's take Kiyomi Rollins, who's the head of The Ke'nekt here, a really important organization in Atlanta, but Kiyomi is a trusted member of the community. She's brought in experts from the Federal Reserve Bank of Atlanta.

[00:09:55.93] And at the end of the meeting, one of the elders residents said, he sounded really smart, but should we be listening to him? What should we do? And that type of person, we need to ensure that she has the capacity to grow her vision.

[00:10:13.63] And we act as a partner to say, I know you wanted to raise money for this new program, but you really need more staff. Can we give you a grant for new staff members, instead? Turn those volunteers into paid staff so that we can free you up a little bit so that you can move forward with the strategic vision that you have for your organization.

[00:10:36.55] That's such a nice example of how you're actually supporting infrastructure and business. Sometimes, that's where minority businesses struggle, to get that infrastructure support. What about another success story, if you will, that showcase the power of what a community can accomplish when the collective mindset is more we than me?

[00:11:00.12] So I think another piece there, going back, again, to our non-profit capacity building for our business support organizations, one example is in response to the pandemic. We were called on the weekend before things started to shut down here in Atlanta where a lot of our organizations were saying, hey, we have businesses that are worried.

[00:11:23.64] They've lost their big conference, or the Final Four has been rescheduled. And that was their primary revenue for the year. We have to get our businesses help.

[00:11:35.10] And during that weekend, we convened other organizations to talk about, well, what do we need and what resources? What are we learning from other cities? We spoke to leaders in Seattle and New York who had been impacted earlier than we had, just to get some insight on what they've learned in the process. And that was all by Sunday night.

[00:11:56.02] So we were then able to all come together and determine that there were some organizations, smaller organizations, doing surveys for their participants who they work with. And AWBI stepped in and said, hey, let us step in and gather this data so that you can focus on what you do best, which is helping the folks that you serve.

[00:12:18.37] And so we quickly developed a survey. We sent that out weekly for that first week, from March until the first week of April, to gather, as best we could, real-time data about what the needs were.

[00:12:35.79] And that was critical because, in that time, we were also advising capital providers in banks and CDFIs and others who, at the time, were thinking, well, the government is going to come up with a solution. We'll just wait and see what funding they provided.

[00:12:50.82] And from that survey, we knew that a lot of our Black-owned businesses were not going to be able to survive more than two to three weeks without revenue. And so there was a sense of urgency that we were able to create and collectively come together to determine what resources were available. And we were able to help ensure these organizations did not work in silos.

[00:13:14.73] Because for this size problem, we really have to leverage each other. And so we were able to coordinate a response both from the city level to grassroots organizations to support as many businesses as quickly as possible, to share resources that were coming online daily, to provide grants and loans ourselves while we were waiting for others and advising others with more resources on philanthropy in the city.

[00:13:43.62] That's just an example of the we aspect of our work. And AWBI serves to help coordinate that response. In our response to COVID was one of those examples.

[00:13:58.23] Wow, I'm just so impressed with your agility. It's not just the we that you're talking about, but you move so fast. And that's so important, obviously, during COVID and really impressive. You are already touching on this in this interview, but you operate from a community wealth-building model. What exactly is that model, and how does it work?

[00:14:21.44] So all of our strategies are centered in community wealth building. And I like to say community wealth building isn't new or radical. There was a time in our society where if our neighbor was hungry and we knew it, and we left them a plate on their door and did so in a way that they could keep their dignity. And it wasn't charity. It was just something that you were supposed to do.

[00:14:44.72] There was a time where if a kid got in trouble and needed to be occupied, the local shopkeeper might give them a job after school-- important. There was a time where we had the sense of community before the very well-funded effort around free market capitalism, which centers individualistic growth and security took hold.

[00:15:09.26] And so with that-- and I won't get into neoliberalism-- but with that, community wealth building, at least the way that we implement it, hopes to do the opposite, where we believe in building wealth in a way that doesn't just extract from community to build individual wealth but has a responsibility to community, to sustain community, to support community and assure the community as a whole thrives. And so our strategies range from business enterprise development, which is what I've touched on today, but also includes anchor collaboratives, ecological resilience, workforce development.

[00:15:54.90] It also includes place-based initiatives around centering neighborhoods and creating really safe neighborhoods and inclusive, equitable land use and equitable land development. And so of our seven strategies-- and six of these strategies actually originated with the Democracy Collaborative, which is one of our partners-- but in doing this work in 2020, centered on Black people, we observed that, regardless of wealth level or success level, there was a need to focus on wellness and the impact that structural racism has had on Black people's mental and physical health.

[00:16:44.65] And I know we'll dive into that a little bit later. But with that, we added that as one of our strategies. Because until we can address any burdens related to that, Black people can't fully achieve their full excellence in our society.

[00:17:04.69] The other thing I'll just quickly note important to our work around community wealth building is that we hope to redefine wealth. So wealth isn't just assets. Of course, it is financial assets. But it's also social capital. It's intellectual capital. It is this level of connectivity and various forms of capital, and wellness, as I mentioned.

[00:17:31.21] But it's a collection of types of capital that really ultimately allow a person to have agency and control over his life in the path of his or her family and, ultimately, to be free. And so we focus on wealth. And that might happen regardless of income level.

[00:17:53.95] That might happen if they never actually acquire an asset of their own. But there's a way to create a environment of wealth for people in Atlanta that we, as a collective, can implement to ensure there's a wholeness and wellness and a thriving community, as a whole.

[00:18:16.26] What a wonderful way to show how community wealth building so aligns with this idea of social solidarity. So Atlanta is an interesting place to be doing this work, especially since it is considered a success story for many Black Americans-- like you said, the Mecca.

[00:18:34.57] But the wealth gap, as you mentioned earlier, is as insidious here as any place. And then we're also familiar with the city's history with enslaved people and racism. But what are some specific historical drivers of the racial wealth gap that Atlanta faces today?

[00:18:56.31] So I'll take it back, for example, to the race riots that we had in 1906 and how that impacted Black people. And that has happened all over the country. But it's not just that it happened. It instills a level of fear in people to not even try to move forward.

[00:19:19.88] And so that is an example of some of the history that is interwoven into the development of Atlanta. We might have had A Gone with the Wind moment here. But there was also some very violent tactics that were put into place that impacted Black people's ability to build wealth. And for some families, that trauma lasts for generations in that they are taught to not even try.

[00:19:52.40] So we have that kind of historical context. We have decisions that were made, for example, around I-20 as the city was becoming a bit more diverse and putting highway I-20 right

through the Black community. And that served as a segregator for the city that still impacts our city.

[00:20:13.73] The majority of Black people in Atlanta still live in South Atlanta. And that's significant in that the higher paying jobs, amenities, they tend to be in North Atlanta and North Fulton. And so that investment has not been made in communities where Black people live. And the fact that Black people live there is not a coincidence. So those drivers are a piece of that.

[00:20:39.12] And then there are a little more recent policies. So around the time-- and we're still researching this-- but so far, what we have narrowed down is around the time of the Olympics is where there were shifts here. And during that time, Atlanta shifted its policies to focus more on bringing in big business, large corporations, Fortune 500 companies, and really positioning itself as an international city.

[00:21:13.16] And we had great economic growth during that time and since. And that's part of the reason why, for example, in Atlanta, the median family income for a white family is \$84,000, whereas the national median income for a white family is around \$60,000. Similarly, the median family income for a Black family nationally is around \$35,000. But in Atlanta, it's \$28,000.

[00:21:50.21] So white people in Atlanta are doing very well. They're taking advantage of all of these wonderful opportunities we have here. But Black people haven't had an opportunity for the same pathway or, quite frankly, the intentionality that we need to put into place to ensure that a pathway to shared prosperity is equitably created.

[00:22:10.46] Wow. You mentioned earlier some of the mental health impacts. But what are some of the other ways that you see the racial wealth gap affecting the health of Black Atlantans?

[00:22:22.28] Well, I know you all would know this better than anyone in terms of the social determinants of health. And this year, part of our strategic plan is to really dive into that and to highlight and raise awareness of that connectivity and intersectionality.

[00:22:37.88] But other ways that it shows itself-- so I mentioned highlighting the framework of Atlanta, where resources and amenities are. But that also extends to access to health care, access to health care centers. We have neighborhoods where, for 10 miles, there is no clinic, there's no pharmacy. People have to take two buses to get to a grocery store. There are food deserts. So that's one way.

[00:23:09.95] The racial wealth gap also impacts our education system and how and who receives a quality education, which then impacts their ability to build a life. And not the only determinant. We know nationally that high school-educated white people have a larger percentage of wealth than college-educated Black people.

[00:23:38.93] So we know that that's not the only determinant. But we also know that it is a driver for stability and our basic health needs and access to health care and access to quality food

and options and that freedom and control that I mentioned earlier when we talk about wealth. So those are some of the [INAUDIBLE].

[00:23:56.48] Yeah. I'm curious about how your work is being received in Atlanta. Is there any pushback? And are there lessons learned from Atlanta's example as we think about eliminating the racial wealth gap across the country?

[00:24:13.14] So I will say, first of all, no, we haven't had any pushback. But there are a couple of factors there. First of all, a city that-- I like to say about Atlanta-- we're known as a Black Mecca.

[00:24:27.14] And so that's a huge benefit that we can build on. Now we just have to make it a reality. And a lot of cities don't have that benefit in history to work from and the political structure that has allowed for that willingness to make it so.

[00:24:47.60] But what I believe has been the biggest driver for what is essentially the consensus building that went into what AWBI would be is that our board, before hiring staff even, spent 18 months convening stakeholders to talk about the work that they were doing around racial wealth equity, to talk about what they were seeing in community, to talk about what resources were available and what gaps existed, and to come to them and determine what they wanted and needed to move that work forward. Because we believe that to do this work effectively, it requires all of us working together at the same time, grassroots and grassroots organizations, corporations, government philanthropy, all working together towards the same goal. And we really began our work centered on conversations.

[00:25:47.63] Now that we're doing the work, it's just a matter of doing the work and the time to do it and the dollars and capital that are required. And there's still a lot that needs to happen around changing hearts and minds to move with urgency to dedicate specific types of resources, for example, for our Black-owned businesses, and to shift policies and culture. But we just haven't had the pushback that I believe we would have had had we just popped up as an organization.

[00:26:15.05] And one thing I'll add, also, we also were well-funded early on. So the Kellogg Foundation and The Kendeda Fund made a very strong multi-year million-dollar investment into AWBI. So that gave us the space to explore, to gather data, to have conversations, and to say the thing that needs to be said transparently about what needed to shift without being guided by any new funding resources that might drive that conversation in a way that isn't backed by actual data and community voice.

[00:26:52.97] I love the hearts and minds. And I think that is absolutely right on. What will it take for other communities to follow your lead? And is there the political will?

[00:27:04.97] Yes, I think. So we've been fortunate where we're working with, and in conversation with, various cities across the country, some who are much further along than Atlanta is on community wealth-building strategies. But what we've seen and been told is that the value of an AWBI is we're a hub. And we wake up every day focused on addressing the

racial wealth gap and pulling together the right pieces of the puzzle to make that a reality. And we are not influenced by any other goals or agenda.

[00:27:46.59] And so that will look differently in every city is also what I like to emphasize. And so for other areas, I just encourage the first step around making sure there's an understanding of the landscape and then gathering the data and research to determine what is the current state.

[00:28:09.66] And that's a lesson learned that we've had. There isn't a lot of updated data about Black people in Atlanta. So we have had to create the data sets and pull together the focus groups and do the surveys.

[00:28:22.16] And that requires deep investment that is required to be able to determine what you should be doing versus just doing and not being able to track whether or not you're making the shifts that you want to make but, more importantly, not knowing for sure if the strategies that you're implementing are actually addressing the root causes of the disparities [INAUDIBLE].

[00:28:45.02] So much of the racial wealth gap started with, and continues to be, because of the federal government's actions. You're obviously doing great work at the local level. You've explained how we have to be locally focused. But is this a problem that should be addressed at the federal level? And do you even think it can be?

[00:29:04.73] I absolutely think that it can and should be addressed at the federal level. Dr. William Darity notes that it's going to take \$10 trillion for us to build Black wealth to the level of white wealth. So none of us can do this alone. It's going to require various types of, quite frankly, reparations working at the same time to build a network of equitable solutions to address that.

[00:29:33.60] And I think our federal government is well positioned to do that. Because philanthropy alone is not going to be able to do it. Local governments are not going to be able to do it. None of us are able to do it. Even the federal government is not going to be able to do it alone.

[00:29:47.55] Yeah, that holistic approach. It's so complex and so many layers. So anyway, thank you so much, Latresa. I can't thank you enough for being a guest on the podcast for all of these explanations and sharing your experience in Atlanta. We really appreciate it. And it was a lot of fun to be able to talk to you. Thank you.

[00:30:09.37] You, as well. My pleasure. I'm happy to join you all today.

[00:30:13.24] [MUSIC PLAYING]

[00:30:18.41] Wow, what a great conversation with Latresa. Something that she brought up that Professor William Darity at Duke said that it would take \$10 trillion to fully close the racial wealth gap.

[00:30:30.01] Yeah, that number is staggering. But I think, between this conversation and our previous episodes with Dr. Perry and our colleague, Michael, I'm encouraged. There are a lot of

ideas. And I really like what Latresa said. She said that the initiative started their work with community conversations, really getting engaged with the community, learning about the community. And that's where the backdrop for this whole podcast, social solidarity, comes into play.

[00:31:01.52] The racial wealth gap problem is so immense that we can only begin to fix it if we tackle it together. Our fates are intertwined. It makes me think about our first interview with Donald Cohen. In his book, he wrote, quote, "We can choose to craft policies and make public investments that acknowledge and reinforce our linked fates and knock down structures of exclusion, segregation, and stratification. That's the starting point for a pro-public future."

[00:31:32.44] A great excerpt. It touches answer many of the themes of this podcast-- our linked fates and knocking down structures of exclusion. Just a quick shout-out to our colleagues at County Health Rankings & Roadmaps, Dr. Christine Muganda and Michael Stevenson. Christine and Michael helped us put together this podcast and served as guests on two of the episodes.

[00:31:53.86] And a thank you to our executive producer Tommy Jaime, the man behind securing all of our incredible guests and putting everything together. Thank you, Tommy. And a big thank you to my friend and colleague, my co-host, Ericka. The two of us have been working on the idea for this podcast for nearly a year now. And I'm so happy we're sitting here together. We pulled it off, Ericka.

[00:32:16.51] Yes, we did. So thank you to you, as well, Beth. And I also want to offer my thanks to Christine, Michael, and Tommy. Because we've all had so much fun working together. And a huge thank you to our guests, to our listeners, and to our funder, the Robert Wood Johnson Foundation.

[00:32:34.21] This has been great. I am genuinely hopeful about something that can be pretty depressing at times. And I'm inspired. I hope it has inspired you, our listeners, as well.

[00:32:46.66] There's life beyond this miniseries. In Solidarity will continue to produce podcasts. And we'll tackle another topic that impacts health, just as we did with the racial wealth gap. If you have any ideas, a subject you'd like us to explore, please reach out through countyhealthrankings.org. In the meantime, we hope you'll keep an eye or an ear out for our next mini series this fall. And until then, I'm Beth.

[00:33:12.10] And I'm Ericka.

[00:33:13.18] And we're In Solidarity, connecting power, place, and health.

[00:33:17.41] [MUSIC PLAYING]

[00:33:20.17] Now it's your turn to join the conversation. Head over to our podcast page on countyhealthrankings.org and share your thoughts with us. The question for this episode is, what would community wealth-building strategies like the ones used by the Atlanta Wealth Building Initiative look like in your community?

[00:33:45.32] In Solidarity is a production of County Health Rankings & Roadmaps from the University of Wisconsin with funding from the Robert Wood Johnson Foundation. Views expressed by guests of In Solidarity are their own. Appearance on In Solidarity does not imply County Health Rankings & Roadmaps' endorsement. To learn more about our guests' work, to discover additional resources on the topics we've discussed, or to find out how healthy your community is, visit us at countyhealthrankings.org.