

Unjust and Unfair: Consequences of the Racial Wealth Divide

Episode 2: Staggering Stats Behind the Racial Wealth Divide

[00:00:00.00] [MUSIC PLAYING]

[00:00:11.48] 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.

[00:00:26.25] Hi there. And welcome to episode two of In Solidarity. I'm your host Beth Silver, sitting here in Madison, Wisconsin with my friend and co-host Ericka Burroughs-Girardi. Hi, Ericka. How are you doing today?

[00:00:38.85] Hey, Beth. I'm doing well. Excited to be here for our second of six episodes in our miniseries on the racial wealth gap, or as some scholars are calling it, the racial wealth divide.

[00:00:50.67] As is always the case when we're together, Ericka, I'm just learning so much, focusing on the connections between wealth and health and excited for this, our second episode on wealth inequality in the United States and its connection to how long and how well people live.

[00:01:06.61] We started this miniseries off with a discussion with author Donald Cohen about reclaiming public goods to fix things like the racial wealth gap.

[00:01:16.05] I think it set an excellent tone for the series, Ericka. And I think it helped make some connections between the racial wealth gap and health. Today, we're going to be talking more in depth about that relationship with one of our colleagues from County Health Rankings, Dr. Christine Muganda.

[00:01:31.41] Christine leads our data and analytics team, the group of researchers who analyze data and use it to create measures of community health to guide local action. The data shows us that enduring economic inequities follow Black Americans specifically throughout their lives, from cradle to grave as they say.

[00:01:50.73] Unfortunately true, Ericka. Christine is a scientist here at County Health Rankings and Roadmaps. Our County Health Rankings model helps communities understand how healthy their residents are and how policies and programs play an important role in community health. Christine is going to help us understand where things stand with respect to the racial wealth gap and health.

[00:02:12.75] Right. That connection is something that, frankly, doesn't get discussed enough. Countless scholars have done incredible work on the topic. I'm thinking of people like Professor William Darity at Duke, one of the most renowned scholars on the topic. Professor Darity traces

the racial wealth gap back to the end of slavery and the 40 acres and a mule that former slaves were promised but the vast majority never received. At the same time, Professor Darity describes how the US government perpetuated the inequity when it provided-- and get this, Beth-- a million and a half white families with 160-acre land grants through the Homestead Act. Researchers estimate that around 45 million white Americans alive today are beneficiaries of these land grants.

[00:03:01.47] What a profound example of institutional racism's lasting effect on the wealth gap. We'll get into more of the historical underpinnings to the racial wealth gap in our next episode. But for now let's welcome Christine to shed light on what the research says about wealth inequality. She's also going to talk about a recent research project that she worked on that highlights how layers of disinvestment in a community can widen gaps and reinforce disadvantages. On that note, please help me welcome Dr. Christine Muganda.

[00:03:33.66] [MUSIC PLAYING]

[00:03:38.90] So great to have you with us, Christine, sharing coffee together as we always try to do when we're in the office, or in this case the studio.

[00:03:46.91] Thank you, Beth. Where would we be without our coffee?

[00:03:50.39] I don't even want to go there. You know, on In Solidarity we're threading the concept of social solidarity throughout the episodes. So we're starting off with the same question of our guests-- what does social solidarity mean to you, and how does it influence the work that you do?

[00:04:07.47] I love this question. When I think about social solidarity, there's this specific Swahili proverb that comes to mind. [SPEAKING SWAHILI] It is a Swahili saying that can't quite be translated into English because it is deeply cultural, but it means we are together. We are positioned together. And it captures the ideas of empathy and interconnectedness, that we rely on each other, and that our well-being is intertwined.

[00:04:35.51] I think this perspective is core to population health and population data. Population data tell this collective story of individual humans who all share a particular characteristic or experience. Maybe they share a similar identity, or a similar age, or live in the same geographical space. They are positioned together in some way. And in order to move toward a better position as a group, as a community, as a society, they must all be included. [SPEAKING SWAHILI]

[00:05:08.27] Wow, Christine, that is absolutely beautiful. And in our first episode we touched on the difference between wealth and income, but could you tell us a little more about why wealth might be a more useful measure for understanding health?

[00:05:25.50] If I may start with a few definitions, I think that could be helpful. Income is the amount of money received by an individual or a household over a certain period of time. So if you get a weekly paycheck or a monthly paycheck, that's your income.

[00:05:40.26] Wealth refers to all of the assets that an individual or a household has-- all of their savings, investments, perhaps a home or land that they own minus any debt. To understand why wealth might be more helpful in understanding health, I like to imagine that I'm a goldfish and I live in a bathtub. The water held in the bathtub is like my wealth, and the water that flows out of the tap is like my income.

[00:06:05.44] So to be healthy at minimum, I would need enough water to cover my gills so that I can breathe. But that would, of course, only keep me alive for just the next moments. I would also need enough water to move my goldfish body to find food. And I need water so that I can swim around and stay strong, and move to safety if I would feel too hot or too cold, or if I would see danger.

[00:06:28.44] And if I have a lot of water in the bathtub, a lot of wealth, I might not need any water flowing from that faucet. I might not need income in that moment. But if I'm starting out in an empty bathtub, I would need income quickly and steadily to be healthy.

[00:06:45.24] Another thing that I think might matter in this picture is thinking about what would happen if the plug was suddenly pulled from the bathtub drain. So in real life, what would this look like? It could look like a sudden illness or loss of housing, any household shock. And in these scenarios wealth could provide a buffer for me to respond to these life events so that I don't feel that shock as much while the bathtub refills. Wealth can keep the water level high enough to support health, and health requires that stability.

[00:07:16.65] Wow, that was so well said. Christine, what does County Health Rankings and Roadmaps model say about how wealth and health are related?

[00:07:26.76] The County Health Rankings are based on a model of community health that emphasizes the many interrelated factors that influence how long and how well we live. So if you could imagine a funnel feeding into your future health where the factors providing input are things like your ability to reliably access nutritious food and your ability to access quality health care when you need it, but also your ability to pursue work and education, and to find social support, your ability to live in a community where you feel safe and have access to green space, and libraries, and clean air, and clean water. And I think you can see how wealth could support all of these inputs.

[00:08:08.76] Wealthier individuals and households can afford the resources that support health, and they can extend these benefits to their children as well. The position of wealth that a child is born into will impact their opportunities for health during very formative years. And in addition to these opportunities, often the wealth itself can be passed to the child later in life.

[00:08:31.54] Christine, thanks for that. And I want to move the conversation to the racial wealth gap. What does the data say on this topic? Like specifically where are we seeing the widest gaps?

[00:08:43.43] Yeah. Research has shown us that the wealth disparities between Black and white households are the largest, with some estimates showing that Black households have only a tenth of the wealth of an average white household and that Hispanic households and some households

identifying as Asian and Pacific Islander have household wealth that also falls well below most white households. In many summaries Hispanic household wealth does not look much different from the levels of Black household wealth.

[00:09:13.76] Something that I think is important to understand about these data on Asian and Pacific Islander households in particular is that there is a lot of variation and experience within this group of families. Some families hold extremely little wealth, and others have more wealth than most people living in America. There are many factors that influence this variation, but we could just name a few scenarios.

[00:09:39.71] So for example, some individuals who identify as Asian are US born or naturalized citizens with opportunities for a wide variety of employment. Other individuals may have arrived to the US as refugees without the ability to bring many possessions with them. Differences leading to similarly varied experience in the US exist in other race groups as well.

[00:10:02.23] Are there trends by race in other health-related factors? And what about differences by place or by region?

[00:10:09.43] Yes, yes, yes. There are clear trends by race. And this is a signal to which we should absolutely pay attention. There are also clear trends by place in the US. The Appalachian region is one example of this. The Appalachian region includes all of West Virginia and also portions of 12 additional states. It stretches south to Mississippi, Alabama, Georgia, South Carolina, and it extends north through much of Pennsylvania and into New York state.

[00:10:40.57] Within the Appalachian region the share of households with income from investments and other non-wage sources is lower than the US level. Additionally average household income is lower in this region than in the rest of the US as well. Much like the variation that we see within race groups there is also variation within any geographical region, and Appalachia is not an exception.

[00:11:07.43] Economically speaking, the Appalachian region contains counties which have been ranked in the lowest 10% of the nation's counties and also contains counties which have been ranked in the top 10% of the nation's counties. So plenty of variation to observe here as well. And the overall trend signals to us that these communities have experienced disinvestment.

[00:11:29.84] As you know, Christine, we worked on a great project together last year, the digital divide or digital redlining. We looked at the impact of the lack of high-speed internet on residents in urban, often racially segregated neighborhoods. It showed what happens when different layers of disinvestment accumulate over time. Essentially the disadvantages pile up, right? Could you help explain what we found in Milwaukee and in other urban areas?

[00:11:57.25] We wanted to take a closer look at this topic because broadband access has become less of a luxury and more of a basic necessity to navigate modern life. In looking at Milwaukee County as a case study, we saw how low access to broadband is occurring in neighborhoods that are already experiencing poverty and unemployment. To return to the bathtub and goldfish analogy, if a family is facing unemployment, they will also likely face loss

of income, or a faucet that's turned off. Without wealth to act as that safety net, it would be really hard for this family to remain afloat.

[00:12:31.91] And we wanted to open the conversation about broadband, because broadband is a resource that brings in more resources. It can open doors for more employment opportunities, educational opportunities, and social support as well. And as you mentioned, lack of broadband access in these areas creates a compounding effect when layered on top of other current symptoms of disinvestment. And when we talk about community disinvestment, we were referring to the choice to invest resources and opportunities elsewhere, essentially withholding resources from the communities experiencing the disinvestment.

[00:13:07.32] Could you also explain, Christine, the connections between the federal government's home loan redlining in the 1930s to digital redlining of today?

[00:13:17.19] Our analysis in Milwaukee County showed us that areas with low broadband access are often the same as those that were redlined in the 1930s when the federal government intentionally marked certain neighborhoods for investors to avoid. Now there are over 3,000 counties in the US, and to date Milwaukee County is among the 10 most segregated. We saw similar trends of disinvestment in other highly segregated urban areas as well.

[00:13:44.48] Broadband access patterns are a recent way that we can see disinvestment and the persistent effects of redlining. But another better-known impact of redlining is the mortgage market discrimination in redlined neighborhoods, making it hard to obtain loans for home purchases or home improvements in neighborhoods marked as risky investments because of the people living there. This means that Black households are significantly less likely to be homeowners than white households.

[00:14:15.44] In our 2019 key findings report, the County Health Rankings found that in large urban and smaller metro counties the vast majority of households headed by whites own their own home while more than half of the households headed by Blacks are renters rather than homeowners. Research from the Urban Institute found that not a single county in the US with a sizable Black population has closed this gap.

[00:14:40.19] Wow.

[00:14:40.70] That even in places like Albany, Georgia where Black households are actually in the majority, the gap in homeownership remains large.

[00:14:49.70] Yeah, that's shocking, Christine. And share with us why homeownership is important here.

[00:14:57.47] Yeah, home ownership is relevant to this conversation of wealth, because owning a home can over time help build wealth and savings for education or for other opportunities that are important for health and future wealth for families. Home ownership doesn't equate to wealth, but it is one path to build wealth. And according to some scholars, home ownership is the most common path toward wealth building for families in the US.

[00:15:22.91] Yeah. Could you explain the patterns you see in the data that prove that this gap isn't about individual decisions? And how is this gap the result of systemic racism and government policy that have prevented Black families from building wealth?

[00:15:41.03] Continuing in the conversation of home ownership, Black home ownership rates have hovered at a level well below that of whites, showing no improvement since 1968 when passage of the Fair Housing Act made racial housing discrimination illegal. In fact, the gap is now wider. And I think this is a pretty clear hint that we haven't sufficiently addressed the inequity.

[00:16:03.89] Homeownership is only an example of a way to build wealth and pass it down to your family as inheritance. But when we understand that there was a time in our history when Black families were not allowed to own property or even to benefit from their own labor, we can understand that while some families were building generations of wealth over that time, this is a newer opportunity for Black families. And they continue to face many persistent barriers, including racism and the community disinvestment we've named.

[00:16:35.87] Christine, you've named racism as a barrier to families for building wealth. Can you name an example of how that manifests itself?

[00:16:44.66] I can, yes. Government studies have shown us that when shopping for housing, two home seekers that have all relevant characteristics the same between them, like price range and life stage but are of different races or ethnicities, when they go through that process of shopping for a home Black individuals have been found to be treated differently than white individuals about half of the time. Hispanic individuals and Asian individuals have also been found to be treated differently than white individuals to a slightly lesser extent.

[00:17:19.34] An example of this discrimination is that non-white home seekers are told about and shown fewer housing units as compared to white home seekers. The most common type of discrimination faced when shopping for a home is something known as steering. Steering is the practice of urging a buyer toward a certain community based on a characteristic that's protected under the Fair Housing Act. And this could be something as subtle as urging a white home seeker to drive by the bus stop in a potential neighborhood and just see what kind of families are gathered there in the morning. This practice is illegal, and it's also a good example of how even unconscious biases can manifest in ways that perpetuate racial gaps in opportunity.

[00:18:03.23] Absolutely. And where do epidemiologists and other researchers need to go from here to better understand the racial wealth gap and how racism continues to be a public health crisis in America?

[00:18:15.95] I think this question brings the conversation full circle back to social solidarity. There is research that shows us that the racial wealth gap does not only affect those who hold less wealth in our nation and that racism does not only negatively impact those who are discriminated against. Higher levels of economic inequality are associated with lower economic growth for everyone and even decreased well-being and shorter life expectancy.

[00:18:44.54] The racial wealth gap is a problem belonging to all of us and one that we will need to solve together. There's certainly room for growth in our understanding of the racial wealth gap. We know that the gap exists, and we know something about the size of the gap. But you'll notice that the data aren't complete. There are whole communities missing from the statistics that I shared today.

[00:19:07.34] The hope that I find in continuing to learn more about gaps in our communities and between communities is that the history that brought us here and the ongoing practices that hold us in our current state can inform intentional next steps that we take together. Because our health and our opportunity are intertwined, the web of all of us will be strongest when each component thread is its strongest. We are together. We are positioned together.

[00:19:33.95] Wow, thank you, Christine. That was just so outstanding to hear your perspective on that and hear about the data. What a great conversation.

[00:19:41.96] [MUSIC PLAYING]

[00:19:46.80] You know, I find it fascinating, Ericka, that for as long as public health research has been taking place not nearly enough attention has been paid to the racial wealth gap.

[00:19:57.07] I agree, Beth. Honestly I think that for the longest time it was sort of a third rail. It was too controversial to touch.

[00:20:04.97] I love that we're able to draw the connections between wealth and health, that wealth inequality leads to health inequality. The relationship is so strong that the wealthiest county in any state often ranks the healthiest. So I'm glad that research is starting to give these ideas more attention. And I think something like the broadband spotlight that Christine talked about showcases the type of research that's emerging.

[00:20:32.72] Well, now that we've taken a look at where things stand with the research, I think it's time to take a step back in time for our next episode.

[00:20:40.54] Yeah, let's do it. You will not want to miss our next episode. I talked at the top of the show about how we're still feeling the effects of decisions made 150 years ago. Well, we've got yet another amazing guest joining us to talk about what has happened since the Civil War that has made the racial wealth gap what it is today.

[00:21:01.01] Can't wait, Ericka. Next up on In Solidarity, Connecting Power, Place, and Health, we'll talk with Dr. Dalton Conley. Dr. Conley is the Henry Putnam University professor in sociology at Princeton University and a faculty affiliate at their office of population research in the Center for Health and Wellbeing. He's a prolific author on the racial wealth gap. And his book *Being Black, Living in the Red* is considered one of the authoritative works on the subject, an incredibly great read for any of you who have not picked it up yet.

[00:21:33.16] Yes, so exciting. I can't wait for that conversation. Until then, I'm Ericka.

[00:21:39.13] And I'm Beth.

[00:21:40.06] And we're In Solidarity, Connecting Power, Place, and Health.

[00:21:43.84] [MUSIC PLAYING]

[00:21:48.75] 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, how do you see wealth inequality impacting health?

[00:22:06.25] In Solidarity is a production of County Health Rankings and Roadmaps from the University of Wisconsin with funding from the Robert Wood Johnson Foundation. 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.