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Contact: Bob Keener, 617-610-6766, bobk@ips-dc.org or Chuck Collins, chuck@ips-dc.org

Report: “White Supremacy is the Pre-existing Condition: Eight Solutions to Ensure Economic Recovery Reduces the Racial Wealth Divide”

As Racial Wealth Divide Surges with Pandemic, Strong Solutions are Needed to Reverse the Trend

In 12 weeks of Pandemic, US billionaire wealth increased by more than \$637 billion, more than 13 percent of all US Black wealth.

WASHINGTON – While persistent racial wealth disparities are a pre-existing condition that has colored the U.S. impact and mortality from COVID-19, the extreme concentration of wealth – even under the pandemic – has supercharged the existing racial wealth divide, according to a new report, “White Supremacy is the Pre-existing Condition: Eight Solutions to Ensure Economic Recovery Reduces the Racial Wealth Divide.”

“The policies aimed at recovering from the 2009 Great recession worsened the racial wealth divide,” said **Darrick Hamilton, Executive Director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University**, in his preface to the report. “We cannot repeat these same mistakes. The program to speed our recovery from the pandemic economy must be designed to reduce the racial asset gap, not inflame it.”

The report from the Institute of Policy Studies (IPS) and the National Community Reinvestment Coalition (NCRC), found that during the pandemic, the concentration of wealth among America’s wealthiest has surged, creating extreme imbalances such as these:

- In the 12 weeks between March 18 and June 11, the combined wealth of the 640 U.S. billionaires increased by more than \$637 billion, the equivalent of more than 13 percent of all Black wealth held by 41 million people.
- U.S. billionaires together have \$3.581 trillion in wealth, more than the entire Latino population combined, which has \$3.49 trillion. Total U.S. billionaire wealth is equal to 76 percent of all Black wealth combined, \$4.68 trillion.
- The top 12 U.S. billionaires have a combined wealth of \$921 billion, which is equivalent to all the home equity wealth of the entire Black population, over 17 million households.

- The top 70 U.S. billionaires together hold \$1.9 trillion, the equivalent to the home equity wealth of all Black and Latino households combined.

According to the report, strong solutions are needed to reverse the trend of the racial wealth divide and prevent the pandemic and the post-pandemic recovery from leaving Black and Latino Americans further behind whites. The report highlights eight such measures, divided into two phases:

Phase One: Emergency Measures

- Improved Racial Data Collection
- Racial Equity Audits of Crisis Relief and Recovery Policies
- Income Support that Expands to Guaranteed Income
- Postal Banking

Phase Two: Emerging from Recession

- Medicare for All - Universal Health Coverage Delinked from Employment
- Expanding Inclusive Housing and Ownership
- Federal Jobs Guarantee with Living Wage
- Baby Bonds

The report also contains ideas for tax policies that would both raise revenue and slow the destructive concentrations of wealth and power that supercharge the racial economic divide. These are listed as “Phase Three: Interrupting Inequality.” The full report may be found here:

<https://inequality.org/great-divide/white-supremacy-is-the-pre-existing-condition>

“Behind the protests in the streets over policing are the painful racial disparities in who suffers and dies from Covid-19,” said report co-author **Dedrick Asante-Muhammad, Chief of Race, Wealth and Community for NCRC**. “And behind these health disparities is a persistent and glaring racial wealth divide that has weakened the body politic.”

“The racial wealth divide is where the past shows up in the present,” said report co-author, **Chuck Collins, Director of IPS’s Program on Inequality and the Common Good**. “The glaring racial difference in wealth ownership reflects the multi-generational story of how chattel slavery and white supremacy show up in the disparities in bank accounts, homeownership, financial wealth, and overall well-being.”

““Surging billionaire wealth contrasting with a worsening racial wealth divide undercuts the solidarity and unity required to overcome the health and economic challenges of this

pandemic,” said Collins. “Our program of eight solutions will forge a new social contract that moves our society to grow together not pull further apart. Bridging the racial wealth divide is in the interests of the whole society.”

The [Institute for Policy Studies](#) is a multi-issue research center that has conducted path-breaking research on inequality for more than 20 years. The IPS Program on Inequality and the [Inequality.org](#) website provide research, advocacy and policy development on issues related to economic inequality.

[The National Community Reinvestment Coalition](#) and its grassroots member organizations create opportunities for people to build wealth. It works with community leaders, policymakers and financial institutions to champion fairness and end discrimination in lending, housing and business.

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