Annual REPORT 2019

SHARED PROSPERITY.
BUILDING PUBLIC POWER IN A PLURAL AMERICA.

THE OHIO STATE UNIVERSITY
KIRWAN INSTITUTE FOR THE STUDY OF RACE AND ETHNICITY
The Kirwan Institute would like to thank our partners, funders and collaborators for their continued support of our work.

As the world moves around us, we are continually reminded of how critical collaboration is to building a society that is equitable for all. We are thankful for all of the wonderful partners who join us in our mission to understand, uplift and resolve racial disparities.

The Kirwan Institute would also like to recognize and thank our funders for their support of our work and their commitment to increasing opportunity and improving life outcomes for our country’s most marginalized individuals.
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DEAR COLLEAGUES, PARTNERS AND FRIENDS,

What a year it has been. As I summarize my first year as the Executive Director of the Kirwan Institute for the Study of Race and Ethnicity, I begin by thanking our staff, affiliates and partners at Kirwan, The Ohio State University, the city of Columbus and beyond. Since it was announced that I would be taking over this role, I have been showered with support and opportunities for collaboration and partnership, which has made for a smooth transition, and, for which, I am grateful.

We live in a world of vulnerability and obstacles to social mobility, including: wealth and income disparity, unemployment/underemployment, food insecurity, mass incarceration, environmental injustice, and more. This is just one layer of the problem, as there are physical and mental harms that result in socio-psychological stress, including stereotype threat, overexertion, implicit bias, microaggressions and others. As vexing as these problems are, they are exponentially magnified when we consider race and ethnicity. At Kirwan, we believe that scholarship, practice and policy should be informed by the roles of group identities, such as race, gender, sexual orientation, and their intersections as they relate to material and psychological wellbeing.

Located in one of the nation’s top-20 public universities, the Kirwan Institute has a long tradition of addressing these challenges, and I am proud to report that, this past year, we have continued this tradition of innovation and production through the promotion of economic inclusion, civic engagement and social equity.

We began 2019 with the release of two reports, both of which expanded on issues beyond the pay gap to include the roles of asset and debt as foundational to our understandings of gender and race. A Workforce for the Modern Woman expanded on issues of gender inequity in the workplace beyond the pay gap and became a key resource for local conversations around the Women’s Wealth Gap in Columbus with research driven solutions in the conclusion section. Shortly after, Kirwan published The Color of Wealth In Miami in partnership with the Cook Center on Social Equity at Duke University and the Insight Center for Community Economic Development. The fourth of its kind, The Color of Wealth in Miami highlights the dramatic wealth inequality in the Miami Metropolitan Area acknowledging real world-implications of this inequity including the intersections of assets, race and vulnerability to climate gentrification.

Throughout the year, we remained productive in the release of briefs and reports aimed at educating the public and influencing policy on the most prevalent issues impacting racial inequity. We wrapped up 2019 with a joint report with the Roosevelt Institute: The Racial Rules of Corporate Power: How Extractive Corporate Power Harms Black and Brown Communities and How Race-Conscious Solutions Can Create an Inclusive Economy.
Following the Roosevelt Institute's theme on the hidden rules of structural racism, the report outlines how an imbalance of corporate power and consolidation is harmful to black and brown communities along with policy solutions to reverse these harms.

Beyond our written publications, the Kirwan Institute’s outreach and engagement efforts continue to grow within the university, the city of Columbus, the nation, and throughout the world. We have been cited or made media appearances well over 100 times, and have delivered more than 300 public presentations or addresses. In October, the Kirwan Institute with leadership from Senior Legal Analyst, Kyle Strickland, held an inaugural statewide convening for MBK Ohio, where I had the pleasure of sharing remarks alongside Ohio State President Michael V. Drake, Senator Sherrod Brown, Representative Joyce Beatty, OSU Alumnus and Trustee Clark Kellogg, and other remarkable community and state leaders. I’m also excited to note that in 2019 we facilitated a multitude of community engagements/trainings and hosted over 25 public events, including our bi-weekly Kirwan Forum Series. We hosted special forums like “Land Loss, Wealth Inequality and Reparations”, featuring expert scholars such as Nathan Rosenberg, Dania Francis and Bryce Stucki. We are proud to have partnered with First Year Cleveland and the Cleveland YMCA this past November to present the 400 Years of Inequity Conference, where I had the pleasure of delivering one of the keynotes, with former Kirwan Executive Directors Arthur James and John Powell delivering others.

We continued our efforts in the field of understanding and combating racial bias training, by-stander training, and promoting racial equity. We collaborated on two new Implicit Bias Training Modules, one in support of medical professionals and the other aimed at those working in child protection agencies. In conjunction with the Economic Mobility Coalition (EMC) steering group, we are poised to develop a ‘train-the-trainer’ framework to deliver bias and race-equity training throughout Columbus and the entire Central Ohio region.

I salute the work of the Kirwan staff, and all of our partners; it has been a productive year. We will continue to promote diversity of thought and exchange grounded in the values for economic inclusion, civic engagement, and social equity to address our daunting problems of structural inequality. We are up for the challenge and we look forward to engaging with our campus, community and national partners to promote structures and policies that facilitate racial and economic justice.

Executive Director, Kirwan Institute
Professor of Policy, Economics and Sociology
This has been an exciting year for the Kirwan Institute. After serving seven months as Interim Executive Director, I was very happy to welcome Darrick Hamilton to Ohio State as Executive Director in January 2019. After completing our first year as a team, I look forward to what 2020 brings.

Our values of economic inclusion, civic engagement, and social justice will pave the way for more excellent work in the upcoming year. That said, we were very fortunate to receive support from the The William and Flora Hewlett Foundation and Omidyar Network so that we may shift some of our focus to working around a neoliberal agenda.

Additionally, with this support, we are able to bring on faculty fellows and affiliates to broaden the reach of the Institute. Our outreach team continues to be actively engaged around the state and country, facilitating Implicit Bias, Active Bystander and Civic Engagement training. Finally, this work would not be complete without the many amazing partners we had the opportunity to work with and I am looking forward to more collaboration and partnership in 2020!
2019 AT A GLANCE

305 PRESENTATIONS

10 NEW REPORTS/PUBLICATIONS

44 CITIES/COMMUNITIES

108 MEDIA FEATURES

6 GRANTS/AWARDS
In February, the Kirwan Institute published *A Workforce for The Modern Woman: Strategic Planning for a Fair and Equitable Future* led by authors Kelly Capatosto, Preshuslee Thompson, and Cyan Blackwell. With support from The Columbus Women’s Commission, The Women’s Fund of Central Ohio, The Women’s Place at Ohio State and the Association of Staff and Faculty Women, *A Workforce for the Modern Woman* highlights the barriers women face to success in the workplace, and how this is magnified when race is taken into consideration. This is especially true for Black and Latina women, who only earn 60.8% and 53% of White Men’s income respectively.

Discussions around the pay gap for men and women have persisted for years. According to the report, in 2018 women’s median annual income was $41,977 compared to $52,146 for men. Beyond inequitable pay structures, women are faced with other increasingly challenging barriers like implicit bias in job postings, microaggressions, sexual harassment and more.

*A Workforce for the Modern Woman* serves to not only highlight these issues, but act as a guidepost for organizations that seek to create a more equitable workforce where all women can be successful. Each section of the report also includes research-based solutions and action items for implementation.

In April, the report was referenced at the Columbus Metropolitan Club’s panel discussion on the women’s wealth gap. The report can be downloaded at the link below.

**REPORT HIGHLIGHTS**

*Last year (2018) women’s median annual income was $41,977 compared to $52,146 for men. The gap is more pronounced for Black and Latina women, who earned only 60.8% and 53% of White Men’s income, respectively. The likelihood of hiring a non-White candidate was 193.72 times greater if there were at least two non-White candidates in the finalist pool. A survey of workplace conditions for women in science revealed that nearly 47% of Latina and 48% of Black women scientists reported that they have been mistaken for custodial or administrative staff. Of those (10,000) sexual harassment complaints, 82% were brought by women. For every 100,000 women workers, Black women filed sexual harassment charges with the EEOC at almost 3 times the rate of White, non-Hispanic women.***

**STRATEGIES FOR ADDRESSING WORKPLACE BIAS**

- Defining the Problem
- Gaining Institutional Support
- Accessible & Inclusive Job Postings
- Broaden Recruitment Networks
- Bias-Conscious Resume Reviews & Interviews
- Proactively Prevent Sexual Harassment and Violence

**DOWNLOAD THE FULL REPORT:**

[KIRWANINSTITUTE.OSU.EDU/MODERNWOMANWORKFORCE/](KIRWANINSTITUTE.OSU.EDU/MODERNWOMANWORKFORCE/)
The Kirwan Institute for the Study of Race and Ethnicity
February 2020

2019 IN THE MEDIA

THE WALL STREET JOURNAL.

In June 2019, Kirwan Institute Executive Director, Darrick Hamilton, was profiled in The Wall Street Journal for his work in uplifting racial inequality and its impact on the 2020 presidential race and democrat debates.

“Code-switching, or the process of shifting from one dialect to another depending on the setting, is a practice deeply ingrained in American society. Although code-switching can sometimes refer to switching quickly between languages, it more commonly references a habit of conforming to the dominant culture through a change in dialect — which can have much higher stakes for some than it does for others. For Black people, it’s a constant shift between African American Vernacular English (AAVE) and white standard English, but it can also be the difference between succeeding and failing in white-dominated spaces.”

108 TOTAL MEDIA APPEARANCES
94 ONLINE MEDIA FEATURES
11 RADIO/PODCAST INTERVIEWS

TEEN VOGUE FEATURE: THE MENTAL HEALTH COST OF CODE SWITCHING ON CAMPUS

Kirwan Training and Facilitation Specialist, Preshuslee Thompson, was featured in Teen Vogue discussing implicit bias and the reality of code-switching for Black students on college campuses.
2019 IN THE MEDIA

“I always like to be proud of myself, be proud of the team and elevate the work, but just also use my own family story to illustrate how much more we truly have to do if we are going to change hearts and minds because implicit bias is already there for people that are trying to do their best but might not always be aware”

In December, Senior Research Associate Kelly Capatosto was profiled by Salud America!, a national Latino-focused organization that creates culturally relevant and research-based stories, videos and tools to inspire people to start and support healthy changes to policies, systems, and environments where Latino children and families can equitably live, learn, work and play.

DARRICK HAMILTON ON PBS NEWSHOUR
Kirwan Executive Director Darrick Hamilton was featured on PBS NewsHour June 2019, where he outlined how "baby bonds" could help close the staggering racial wealth gap.

IN MIAMI, YOUR SKIN COLOR IS A BETTER PREDICTOR OF WEALTH THAN WHERE YOUR ANCESTORS CAME FROM

In February, following the release of The Color of Wealth in Miami, The Miami Daily Herald and the Washington Post featured stories about key findings from the report, as well as highlights from a one day conference surrounding the release, which was held at Florida International University.

THE ROOT
In March, The Root did a feature on reparations and their importance to the 2020 Presidential campaign. The feature cited Darrick Hamilton and the Kirwan Institute for its expertise on issues related to racial wealth inequality.
FEATURED REPORT

The Color of Wealth in Miami

In February 2019, the Kirwan Institute released The Color of Wealth in Miami, a joint publication with the Samuel DuBois Cook Center on Social Equity at Duke University and the Insight Center for Community Economic Development. The Color of Wealth in Miami is the fourth report in a series of publications that explores the racial wealth disparities in various (major) United States cities. Taking history into account, and with application to real-world implications, the report demonstrates Miami's dramatic wealth inequality around race and ethnicity, and also features detailed asset and debt breakdowns for US born blacks, Caribbean blacks, Puerto Ricans, Cubans and other Latinx groups in the Miami Metropolitan Area.

The Kirwan Institute would like to thank Florida International University, Catalyst Miami, the Federal Reserve Bank of Atlanta and the Ford Foundation for their support in the development of this report and the report rollout.

KEY FIGURES & FINDINGS

The median value of liquid assets for U.S. Blacks and Puerto Ricans was only $11 and $200 respectively. The median value of liquid assets among Caribbean Blacks and South Americans was around $2,000 and for Cubans, it was $3,200. Other Latinx households had liquid assets of $5,000. White households had a substantially higher median value of liquid assets at $10,750.
IN OCTOBER 2018, the Kirwan Institute launched MBK Ohio, a statewide network designed to build capacity, provide technical assistance, coordinate resources, and share best practices among local MBK chapters throughout the state. Since 2015, U.S. Senator Sherrod Brown has helped local leaders launch MBK chapters in more than 10 regions throughout Ohio. In 2018, Senator Brown invited the Kirwan Institute to lead the coordination of the statewide network and also represent state and local chapters in discussions with the Obama Foundation.

Led by Kirwan Senior Legal Analyst Kyle Strickland, signature 2019 MBK Ohio events and programming included:

- AWARDED A THREE-YEAR GRANT OF MORE THAN $450,000 FOR 10 AMERICORPS VISTA MEMBERS TO SUPPORT THE WORK OF MBK OHIO EACH YEAR
- LAUNCHED A $100,000 GRANTS PROGRAM FOR ORGANIZATIONS IMPACTING YOUNG PEOPLE OF COLOR (COLUMBUS-CHAPTER)
- HOSTED A CONFERENCE FOR YOUTH LEADERS AND COMMUNITY ADVOCATES, WHERE OVER 900 MIDDLE SCHOOL AND HIGH SCHOOL STUDENTS OF COLOR FROM ACROSS THE CITY OF YOUNGSTOWN PARTICIPATED IN DAY-LONG COMMUNITY ENGAGEMENT ACTIVITIES (YOUNGSTOWN CHAPTER)

IN LOVING MEMORY OF KAY SMITH
MBK MANSFIELD LEADER & COMMUNITY ORGANIZER
1979-2019
Piloting Policy & Systems Change with the Obama Foundation

MBK Ohio was invited by the Obama Foundation’s My Brother’s Keeper Alliance to participate in their pilot program to test the “Framework to Affect Systems Change,” a national standard that outlines the elements of success, indicators, and processes to address racial inequity in our communities. We are one of 24 communities selected (out of a total of 200+ MBK Communities). Through this pilot, MBK Ohio will be receiving technical assistance, site visits, assessments, and coaching support for developing our own Road Map and framework for MBK Ohio. Out of the pilot communities, we are the only statewide network to be selected. Over the next few months, we will be working with each MBK community and assisting in community-level assessments prior to the full-release of the framework.

Chapter Highlight: Dayton

Over 100 volunteers come into Dayton Public Schools to mentor young males of color and work with DPS’ Office of Males of Color

Several Dayton students attended the Obama Foundation’s My Brother’s Keeper Conference in Oakland, California, where they met President Obama

Chapter Highlight: Cleveland

Hosted MBK Ohio Legal Day at the Federal Courthouse where over 30 young people and law students met with lawyers and judges to learn about careers in law

Held a Youth Day with NASA at the Great Lakes Science Center in Cleveland, where over 60 young people ages 10-15 were introduced to STEM and engaged in interactive activities with experts from NASA’s Glenn Research Team
2019 IMPLICIT BIAS

136 PRESENTATIONS OVER 5,000 ATTENDEES

4 TRAINING UPDATES

CREATING A BIAS-CONSCIOUS CULTURE

Kirwan’s ‘Beyond Bias’ Training, launched in June of 2019, focuses on implicit bias in the workplace. It aims to help organizations interested in diversity and inclusion expand their focus to include equity and justice in their strategic planning.

In April, Lena Tenney, MPA, MEd., was a featured speaker at the Third Annual Inclusive Medicine Series hosted by the University of Nevada, Reno School of Medicine's Office of Diversity and Inclusion and The University of Nevada, Reno College of Liberal Arts.

IMPLICIT BIAS AND TRAUMA INFORMED CARE

Last spring, Training and Facilitation Specialist Preshus Thompson presented a plenary session at the Trauma Informed Care Summit hosted by Ohio Department of Mental Health and Addiction Services and Developmental Disabilities. The purpose of the summit was to help move systems beyond “trauma informed” to “trauma competent.” Preshus presented on the importance of recognizing implicit bias in trauma informed care. Video of this presentation can be accessed by visiting ohiochildrensalliance.org/events/ticsummit/.
NEW IMPLICIT BIAS MODULES

In 2018, the Kirwan Institute released the first-ever free online Implicit Bias Module Series focused on K12 Education. While targeted for those working in the K12 education system, the modules were designed to help all individuals better understand, recognize and mitigate bias. With an increasing amount of interest and support surrounding those modules, Kirwan released two new module trainings in 2019.

In July, the Kirwan Institute partnered with The Ohio State College of Medicine to launch an online implicit bias mitigation training module for the entire workforce of the Ohio State Wexner Medical Center, more than 26,000 employees. This initiative was in alignment with the Medical Center’s strategic plan to “deliver high-valued care with unparalleled patient experience and access.”

This past fall, Kirwan and the Center for the Study of Social Policy (CSSP) announced the release of inSIGHT: A Workshop on Implicit Racial Bias for Child Protection Workers.

The curriculum is a combination of online, digital modules with in-person training tailored to the specific needs of child protection agencies. Based on Kirwan’s previous Implicit Bias training model, the purpose of inSIGHT is to educate participants on implicit bias, while calling attention to how these unconscious racial biases can negatively affect interactions with children and clients if not addressed.

IN A PILOT TEST OF INSIGHT:

100% of participants said that they became more aware of their own implicit racial biases and have sought to mitigate them

100% of participants began recognizing triggers that activated implicit racial bias, such as stress, tiredness, etc.

90% of participants began engaging in conversations with others about implicit racial bias
The Kirwan Institute for the Study of Race and Ethnicity

February 2020

STATE OF THE UNION: MILLENNIAL HOUSING

DARRICK HAMILTON
CHRISTOPHER FAMIGHETTI

In June, a report that Darrick Hamilton co-authored with Chris Famighetti was featured in Pathways, an annual report released by the Stanford Center on Poverty and Inequality. The June 2019 report theme was State of the Union: Millennial Dilemma, and featured articles outlining how millennials are disproportionately impacted by issues such as housing, employment, criminal justice, social mobility and more.

Hamilton and Famighetti addressed homeownership for millennials, especially as it concerns generational trends and racial disparities in homeownership across generations. Using census microdata from 1940 to 2017, they compared the performance of millennials to Generation X (1965-1980), baby boomers (1946-1964), the Silent Generation (1928-1945) and the Greatest Generation (1910-1927). Results indicate that “for both blacks and whites, one has to reach back to the Greatest Generation – born approximately a century ago – to find homeownership rates that are lower than those now in play for millennials....This decline is especially pronounced among Black millennials.”

“THE RACIAL GAP IN YOUNG-ADULT HOMEOWNERSHIP IS LARGER FOR MILLENNIALS THAN FOR ANY GENERATION IN THE PAST CENTURY. ALTHOUGH THE HOUSING REFORMS AFTER THE CIVIL RIGHTS ERA REDUCED THE RACIAL HOMEOWNERSHIP GAP, ALL THOSE GAINS HAVE NOW BEEN LOST.”

Despite the stark analyses and trends, the authors do provide recommendations for addressing this inequity, including reparations, but also universal programs that can be administered in a “race-conscious way.”

Most recently, the Kirwan Institute translated this report and its findings into a digital short designed to tell the story of millennial challenges with housing, especially when taking into account race and historically discriminatory practices. This film will become available Spring 2020.

NOW AVAILABLE FOR DOWNLOAD AT KIRWANINSTITUTE.OSU.EDU
The Kirwan Institute has been a part of the Diversity Data Kids project, headed by the Institute for Child, Youth and Family Policy at Brandeis University since 2012. The Child Opportunity Index (COI), created as a part of the project, measures neighborhood resources and conditions that matter for children's healthy development. Since the index was first launched in 2014, COI has been utilized by users from diverse sectors and communities to initiate conversations about unequal access to opportunity.

Responding to demands for an update to COI 1.0 by users from diverse sectors and communities, Kirwan has developed the Child Opportunity Index 2.0, which includes new data with more powerful features. COI 2.0 increases the number of indicators to 29 (COI 1.0 used 19 indicators) and expands the geographic coverages to the entire country (COI 1.0 covered 100 largest metro areas). More importantly, COI 2.0 now allows comparisons across metro areas and over time. COI 2.0 was released in January 2020 and can be accessed at diversitydatakids.org.

In 2019, the Kirwan Institute collaborated with state, county and city public health departments, as well as not-for-profit organizations, to assess health outcomes and make policy and practice-based recommendations to address the disparities that exist. Notable collaborations include:

Kirwan continues to engage with OCMH, evaluating their HUB Pathways programs and developing policy recommendations aimed at the local and state-level with the goal of improving birth outcomes and reducing the disparity in infant mortality.

Kirwan joined two work task forces with Franklin County Public Health: (1) Health Works Franklin County and (2) the Life Expectancy Task Force. Both are aimed at addressing disparities within Franklin County.

In recognition of National Public Health Week, the Kirwan Institute partnered with The College of Public Health (CPH) at Ohio State to host an event focused on trauma and violence in communities of color. Kirwan expects to collaborate with CPH on future events centered on health issues that disproportionately impact communities of color.
2019 COMMUNITY ASSESSMENTS

TACOMA EQUITY INDEX

In early 2019, Kirwan Senior Researcher Glennon Sweeney and GIS Specialist Michael Outrich completed an Equity Index for the City of Tacoma, Washington. As an interactive opportunity map, the Tacoma Equity Index was designed to improve and address social equity disparities in the city. It has become one of the primary tools that city staff, community members and other decision makers can use to make data-informed decisions that improve access and opportunity for its residents.

In May, Sweeney and Outrich presented the Equity Index at the Washington State GIS Conference and conducted an equity tour of Tacoma with city officials and staff, which highlighted the historical impacts of disinvestment in communities of color and how that history shows up as inequity present day.

EXPLORING METROPOLITAN CHANGE IN CENTRAL OHIO

In 2019, Kirwan expanded the accessibility of the opportunity mapping work through facilitated bus tours and trips through the various Columbus neighborhoods disproportionately impacted by inequity. Using the Kirwan opportunity maps as a guideline, these engagements give community members (and leaders) a richer understanding of how the effects of historically discriminatory practices remain today.

In August, researchers Glennon Sweeney and Michael Outrich led an affordable housing tour for Congresswoman Joyce Beatty, her staff, and local and national affordable housing advocates and practitioners. This tour focused almost exclusively on Congresswoman Beatty’s district and highlighted disparities driven by historic and current development policies. The event was preceded by a listening session that the Congresswoman held for affordable housing advocates and practitioners.

OHIO HOUSING FINANCE AGENCY OPPORTUNITY MAPPING

In 2019, Kirwan completed its third iteration of the USR Opportunity Index Brief, designed to support the Ohio Housing Finance Agency in identifying areas of opportunity in Ohio, particularly regarding the siting of low-income family housing. The interactive map is available at https://ohiohome.org/ppd/opportunitymap.aspx
THE EDUCATION TRUST: PROFILES IN EDUCATION EQUITY

Last summer, Kirwan Institute’s Kyle Strickland was featured in The Education Trust’s Profile in Education Equity series. The Education Trust is a national nonprofit that works to close opportunity gaps that disproportionately affect students of color and students from low-income families. Through their research and advocacy, Education Trust supports efforts that expand excellence and equity in education from preschool through college, increase college access and completion particularly for historically underserved students, engage diverse communities dedicated to education equity, and increase political and public will to act on equity issues.

The Kirwan Institute is also proud to be a partner in the Education Trust’s Equity in Higher Education Policy Lunch and Learn Series. This series is a collaboration between the Leadership Conference for Civil and Human Rights (LCCHR), Institute for Higher Education Policy (IHEP), and the Education Trust to provide an opportunity for the civil rights community to grow its knowledge and capacity, alongside allies, to prepare for current and future debates over higher education policy.

PROVIDING RESOURCES AND TOOLS TO EDUCATION EQUITY ADVOCATES

Alongside educational consultant Stephen Abbot and with the support of the Nellie Mae Educational Foundation, Research Associate Kip Holley assisted in developing some of the core principles of racial equity, to be featured as part of a groundbreaking online resource by Organizing Engagement. The goal of the website is to provide education equity associates with the tools and skills to advocate for change and create meaningful space for traditionally marginalized students and parents to play a role in scholastic policy.

Following the creation of the principles, Kip was interviewed and featured on Organizing Engagement’s website, discussing his book The Principles for Equitable and Inclusive Civic Engagement. The full interview, as well as additional resources, can be found at www.organizingengagement.org.
The Kirwan Institute for the Study of Race and Ethnicity

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FEATURED REPORT

THE RACIAL RULES OF CORPORATE POWER

HOW EX extracIVE CORPORATE POWER HARMS BLACK AND BROWN COMMUNITIES AND HOW RACE-CONSCIOUS SOLUTIONS CAN CREATE AN INCLUSIVE ECONOMY

Darrick Hamilton & Madeline Neighly

In late 2019, Darrick Hamilton and Madeline Neighly, Director of Advocacy and Policy at the Roosevelt Institute, released *The Racial Rules of Corporate Power: How Extractive Corporate Power Harms Black and Brown Communities and How Race-Conscious Solutions Can Create an Inclusive Economy*. Rooted in the notion that the US economy is structured around rules that privilege and exploit people based on race, the report explores how corporate power contributes to the racial wealth inequity we see today. After identifying the hidden rules of structural racism, and outlining how corporate power (as structured) harms communities of color, Hamilton and Neighly provide a series of race-conscious solutions to ensure racial equity.

KEY POLICY SOLUTIONS

- Reinvigorate antitrust and competition policy in ways that account for racial inequity by requiring pre and post-merger review to determine the impact on communities of color
- Reform corporate governance to ensure that workers share equitably in profits and that corporate boards reflect the racial demographics of the company’s workforce
- Implement audits and enforcement of civil rights and other laws with tangible consequences to proactively combat racial discrimination
- Require racial impact statements on proposed legislation, budget requests and rule-making

NOW AVAILABLE FOR DOWNLOAD AT ROOSEVELTINSTITUTE.ORG
NEOLIBERALISM AND RACE
DARRICK HAMILTON

An Economic Policy Institute (EPI) brief entitled “The Productivity-Pay Gap” vividly displays a disturbing trend that, for the last 45 years, essentially all of the economic gains from America’s increasing productivity has gone to the elite and upper-middle class, while workers’ real wages have remained roughly flat. In their report, 1973 serves as a demarcation line: Prior to that date, worker gains in terms of real wages increased with an almost lockstep 1:1 relationship with productivity. After 1973, however, despite the continued trend of increased productivity, the promised “trickle-down” to all workers from neoliberal supply-side economics hasn’t happened.

Nonetheless, this neoliberal political ideology has dominated, maintaining and reinforcing economic concentration. But to fully understand why the status quo of growing inequality persisted, we need to examine the third pillar of this relationship: race—or, more broadly, the existence of an underclass marked by a socially stigmatized identity, which rose in the 1970s, coincident to the productivity-pay gap.

Neoliberal economics made an implicit, or sometimes explicit, promise to black Americans and to the underclass: that the rising tide would “lift all boats,” and that the new paradigm would free them from the state’s deadening hand that forced them into lives of dependency.

But the promise of economic prosperity and relative racial progress of neoliberal economics for black Americans has not materialized. In fact, some progress has been reversed. Evidence from the U.S. Decennial Census reveals tremendous relative racial economic progress for blacks from 1940, when the typical black man earned only 45 percent of typical white male earnings, to the 1980 census, when that gap was reduced to about 70 percent of average white male wages. But this relative progress ceased. Prevailing neoliberal explanations for this reversal have focused on education, individual attitudes, and public sector programs that supposedly generate perverse incentives away from personal responsibility. The presumption is that if black people were more responsible, made better financial decisions, and focused on education, they could get a good job and achieve economic security.
But studying and working hard hasn’t been enough for black Americans. Since the United States started tracking unemployment by race, the unemployment rate for blacks has remained roughly twice as high as the white rate regardless of education. Moreover, even for highly educated blacks, a college degree has not been a guarantee of job security. Janelle Jones and John Schmitt (2014) estimate that the unemployment rate for recent black college graduates exceeds 12 percent. Wealth disparities persist with high levels of education, too. A 2015 report that I co-authored reveals the stunning fact that black households in which the head graduated from college have less wealth than white households in which the head dropped out of high school.

We often think of wealth as an outcome, but much of its value is in what it can do for you. It offers financial agency and economic security to take risks and shield against loss, and it is a necessary collateral to attain additional finance, or at least additional finance on reasonable terms. Having wealth better positions families to bankroll an expensive education, start a business, pay for an expensive medical procedure, live in a high-amenity neighborhood, and so on. In essence, wealth begets more wealth—when it comes to economic security, it is both the beginning and the end.

Yet wealth today is just about as concentrated as it was at the beginning of the Great Depression.

And with respect to race, evidence from the 2016 Survey of Consumer Finances indicates that the absolute racial wealth gap exceeds $100,000 per family, and the typical black family owns only about $0.10 per dollar owned by the typical white family. Overall, race is an even stronger predictor of wealth than class itself. Black households have median wealth of about $17,600 (inclusive of home equity), and $20,700 for Latino households, which contrasts with $171,000 in median wealth for white households. This stark racial wealth gap is an inheritance that goes as far back as chattel slavery, when blacks were quite literally capital assets for a white landowning plantation class, and not the products of differences in education, financial literacy, or any race-based behaviors or attitudes.

We’d be remiss to discuss racial disparity without mention of mass incarceration. Since 1970, we have witnessed a sevenfold increase in the number of inmates, from about 200,000 to more than 1.5 million in state and federal prisons, which is not counting the more than 700,000 in county and local jails at any given point. A disproportionate share of this incarcerated population is composed of black males. Black males make up about 6 percent of the U.S. population, but roughly 50 percent of the incarcerated population; and there is about a one-in-three chance that a black man will end up serving time at some point in his life. It is noteworthy that the so-called “war on drugs” was also initiated in the 1970s alongside the rise of neoliberal economics and the mantra of personal responsibility.
In addition to wages, wealth disparity, and mass incarceration, black Americans face other obstacles to economic inclusion such as vulnerability to predatory finance, municipal fees, shortage of affordable housing (and the instability associated with evictions), food insecurity, environmental injustice, and climate gentrification. These vulnerabilities disproportionately fall on women, blacks, and other nonwhites. Their education, employment, and earnings are more precarious and they tend to have more caregiving and financial responsibilities. Yale political scientist Jacob Hacker summed this economic vulnerability as The Great Risk Shift, in which our society shifted our social insurance that evolved out of the New Deal from the government and corporations onto families and individuals.

Since the ascendancy of neoliberal economics in the 1970s, the political sentiment regarding social mobility in the United States has radically shifted away from government mandates of economic security to an approach in which the “market” is presumed to be the judge of our worth, and the solution for all our problems, economic or otherwise. As a result, the onus for social mobility also radically shifted onto the individual.

This emergent political consensus was based on the view that marketized solutions were what was best for our economy. Markets, whether they were product markets, labor markets, or financial markets, were presumed to be a self-regulating, fair, and color-blind arbiter that rewarded hard work and sanctioned those who did not put forth effort. Thus did the “undeserving poor” receive their “just rewards?”

What is glaringly missing from the neoliberal perspective is the role of power and capital, and how that power and capital can be used to alter the rules and structure of transactions and markets) in the first place. Words like choice and freedom were presented as attributes of the market, but choice is an illusion for someone who lacks basic needs like shelter, food, and health care. It is literally wealth that gives us choice and freedom. The private sector, and market alone, has never been adequate to deal with reinforcing inequalities, worker vulnerabilities, and obstacles to social mobility. There have been recent important correctives to this. The French economist Thomas Piketty, in his book Capital in the Twenty-First Century, brought considerable attention to the growing problem of capital and wealth consolidation by a wealthy capitalist class for whom advantage is locked in at birth as a result of laws, policies, institutions, and economic arrangements. A plutocratic relationship as explanatory for growing inequality was also emphasized by Richard Reeves in his book Dream Hoarders. Yet largely absent from even their analyses is the role that race plays in both economic stratification and the political structuring of rules to iterate economic gains.

At the same time that it underplays the importance of capital and wealth, the neoliberal frame overstates the functional role of education and personal responsibility. We know, for example, that the racial wealth gap grows rather than dissipates with education.
For instance, the 2014 Survey of Income and Program Participation data reveals that the White-black difference in median wealth for a family where the head did not complete high school is about $80,000; about $110,000 for families where the head has a high school diploma; nearly $200,000 where the head has a college degree; and more than $300,000 for families where the head has a masters, doctorate, or professional degree. Also, black expectant mothers with a college degree have a greater likelihood of an infant mortality than white expectant mothers who dropped out of high school. Both black men and women between the ages of 25 and 64 have about a 50 percent higher mortality rate than their white counterparts. But what’s even more disheartening is that these disparities increase with education—black men and women with a college degree have nearly a 70 percent higher mortality rate than similarly educated whites. The adage that enjoins blacks to “work twice as hard to get by” to overcome social obstacles, should also consider that there may be physical and psychological costs of exerting above normal effort in discriminatory and racially stigmatized environments, particularly for high achievers as measured by education that pose a competitive threat in attainment of the high status, preferred economic positions of the socially dominant group.

Education is associated with better economic and health outcomes within racial groups, but high-achieving black Americans, as measured by education, still exhibit large economic and health disparities relative to their white peers. In essence, education is not the magic antidote for the enormous inherited disparities that result from laws, policies, and economic arrangements that facilitate the concentration of economic and political power described above.

None of this is intended to diminish the value of education—regardless of its vocational role, there is clear intrinsic value to education, especially as it relates to having a well-informed and civically engaged populace.

The extent of our dramatic inequality, especially with regards to race, is at least as much a problem of politics and rhetoric as it is a problem of economics. It is time to move beyond the false narrative that attributes inequality to personal deficits, while largely ignoring the inherited advantages (and disadvantages) of capital and the reinforcing political power that comes along with it. Instead, we need structural solutions that establish a more decent economy and facilitate assets, economic security, and social mobility for all its citizens, regardless of the race and family position in which individuals are born.

Rather than the government constructing policies or engaging in austerity based on a neoliberal frame that uses the market to sanction or discipline poor people, the government should provide public options that crowd-out or discipline firms engaging in exploitative practices. There are a set of enabling goods and services that are so critical for life, liberty, and self-determination that their production and distribution should not be vulnerable to the rationing and pricing that come about from firms trying to maximize profits for their shareholders. I support an economic bill of rights that is consciously legislated and implemented in a racially inclusive way (i.e. a race-conscious economic bill of rights).
In 2017, at my National Economic Association Presidential Address, and at a National Economic Rights and Social Contract Initiatives convening on “A New Social Contract: Guaranteeing Dignity in a Precarious Economy,” I shared a 10-point agenda that could form the basis of this new social contract, or a race-conscious economic bill of rights. The list is not exhaustive but prioritizes a Federal Job Guarantee and Baby Bonds, or more accurately, Baby Trusts, as economic rights that promote inclusion, equity, and fairness, and provide a robust “public option” for jobs, income, and wealth creation for all Americans.

The list begins with the only race-specific program on the entire list, reparations, which is an ultimate necessity to achieving racial justice: reparations for slavery, sharecropping, “whitewashing” (unpunished white vigilante violence to steal black property), Jim Crow laws, and the state-facilitated exclusion of people of color from several of the New Deal and postwar polices that built the white middle class. An honest and sobering confession of our historical sins would counter the neoliberal frame that characterizes black, brown, and poor people as “underserving” and in need of market discipline, and, instead, pave the way for narratives that accurately frame inequality and poverty as grounded in resource deprivation. However, acknowledgement and apology alone will be hollow if not accompanied by some form of material redress. The remainder of the list includes items like federalizing credit scores. A metric so determinative of individual life chances should not be left to the for-profit sector. Government should be responsible and accountable to how these scores are determined through a transparent and understandable process. Also, I advocate for postal banking to provide banking services and short and long-term loans particularly to unprivileged individuals who financially rely on predatory check cashing institutions and payday lenders, and basically put a floor on financial product availability. The Equal Employment Opportunity Commission should conduct employment audits to detect racial discrimination and prosecute discriminating firms. Other priorities include: increase federal subsidies to Historically Black College and Universities to the proportional tune of the present value of support reached for other colleges and universities from the 1944 G.I. Bill (which was on the scale of the financing of the Marshall Plan); eliminate tracking in grade school and offer universal talented and gifted educational programs to all; single-payer health insurance; and the end of mass incarceration of non-violent offenders, while holding police criminally and civilly responsible for abusive practices.
The good news is that such change may be on the horizon, or even happening now. After the 2018 election, we now see a record number of women in Congress, and a general diversity that is greater than ever. Younger generations and social movements may be expanding our priorities and notions of economic good away from the self-interested neoliberal frame to one that incorporates morality, sustainability, and humanity. Hopefully, it will lead to a politics that is not narrowly constrained by the status quo of what does and does not seem feasible at a given moment based on our immediate past. Hopefully, it will lead to a transformative race- and-gender conscious economic bill of rights. One that will ensure universally accessible quality jobs, health care, housing, schooling, financial services, capital, and one that ensures free mobility without the psychological (and physical) threat of detention or bodily harm. Rights that this country has long offered to some but continues to deny so many.

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2019 NEW WORLDVIEW RETREAT | COLUMBUS, OH

In December 2019 and with generous support from the Kellogg Foundation, The Kirwan Institute, Liberation in a Generation and New Consensus, hosted a two-day retreat with over 30 notable community leaders, advocates and activists from across the country.

Hosted in Columbus, Ohio the retreat provided a safe and productive space to generate ideas and strategies for overcoming the neoliberal political ideology and providing alternatives to generating financial wealth that are equitable and accessible to all, especially where race is concerned.

GOALS OF THE RETREAT

1. CULTIVATING A SHARED VISION
2. COLLABORATION
3. FELLOWSHIP
The Kirwan Institute is proud to share our 2019 work with all of you. It’s no secret that we find ourselves in harrowing times. With each new day, our world is faced with an increasing amount of challenges, many of which have become barriers to the basic rights and opportunities we believe should be afforded to all.

Looking back on 2019, the increased interest in and engagement with key concepts like implicit bias, civic engagement, structural racialization and racial wealth equity is promising, and we will use this momentum to press on, remaining focused on a future where society is truly equitable.

As we look ahead to the rest of 2020 and the potential for change, we are aware that the mountains are high, and the terrain is rough. That said, with partners and supporters like you by our side, we remain confident in our journey to create a world that is just and inclusive for all.

We would like to offer a special thank you to The William and Flora Hewlett Foundation and Omidyar Network for their support of our work. As key partners in this work, we would also like to thank Demos, the Roosevelt Institute, Center for Community Change, Economic Security Project and the Washington Center for Equitable Growth. Thank you for all you do for the pursuit of true social justice. We look forward to your support, collaboration and engagement in the year to come.
This publication was produced by the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University. As a university-wide, interdisciplinary research institute, the Kirwan Institute works to deepen understanding of the causes of—and solutions to—racial and ethnic disparities worldwide and to bring about a society that is fair and just for all people.

Kirwan Institute research is designed to be actively used to solve problems in society. Its research and staff expertise are shared through an extensive network of colleagues and partners—ranging from other researchers, grassroots social justice advocates, policymakers, and community leaders nationally and globally, who can quickly put ideas into action.

For More Information

The Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University is known and respected nationally and deeply engaged in social issues. We are focused on projects that are integrated with sound research, strategic communication, and advocacy. To learn more, visit www.kirwaninstitute.osu.edu.