

ABSTRACT

Title of Document: Unaffordable Outcomes: The Wealth Gap, Black Political Participation and Public Policy Outcomes in the Black Interests.

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This study investigates whether, and if so, how the racial wealth gap in the United States influences political participation and public policy proposals and outcomes in the interests of Blacks. There are many factors attributed to failures and successes in the representation of Black interests in the public policy arena. This project focuses on one prominent factor: the influence of economic disparities on political participation and thus, public policy decisions made by the members of Congress representing these populations. Using Census data and other data on campaign contributions and voting, two forms of political participation will be featured and placed into: voting and campaign contributions.

This dissertation will bridge some of the gaps among various areas of social science pertaining to the study of wealth, participation and public policy formulation. Building these bridges is a substantial goal in this dissertation. Many of the approaches used will also serve to reach across divides within political science.

Techniques common in American Politics, Comparative Politics and even Political Theory will be used. Correlations, various hypotheses tests, case studies, interviews and extensive literature reviews will be keys to success in this project.

The first part of the research will focus on the existence of the racial wealth gap. The second part will show how the wealth gap influences political participation in the form of voting and contributing to campaigns. The third part will draw connections between political participation and public policy outcomes. Overall, this project should paint a clearer picture of how the possession of or lack of wealth can help or hinder the political power of a selected group.

UNAFFORDABLE OUTCOMES: THE WEALTH GAP, BLACK POLITICAL
PARTICIPATION AND PUBLIC POLICY OUTCOMES IN THE BLACK
INTERESTS

By

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Dedication

To my mother, Judith Whitt

And in memory of Dr. Linda Faye Williams

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Chapter 1: Introduction and Plan of Dissertation

President Barack Obama and a Shift in American Politics

American politics was forever changed on Tuesday, November 4th, 2008 when Barack Obama was elected to become the nation's first Black president. In fact, Obama is not just the first Black President, he was the first person elected President who is not a white male. Obama's victory is evidence of changes in race relations and a new era in the history of the United States, the world's last remaining super-power. The study of American politics and Black politics in particular, has been forever changed with this momentous occurrence that has brought so much pride and hope to so many people who had been fighting for racial equality and justice for so many generations.

A major element of the American racial political landscape that did not undergo any momentous change with the election of the first Black President is the racial wealth gap and its political implications. The racial wealth gap did not instantaneously reverse or disappear with the election of Mr. Obama. Black families, on average, only held ten cents for every dollar White families held in wealth before the election as well as after the election (Lui 2009). The day-to-day negatives and lack of opportunities for many Blacks, as well as benefits and opportunities for many Whites rooted in the racial disparities of wealth and assets could not be eliminated or remedied by one election. Life opportunities provided by wealth for some and denied by lack of wealth for others are deeply rooted in American society and will not be easily cast aside. These racial inequalities on social, economic and political levels have deep roots in the United States.

The United States has seemingly undergone gradual and continuous positive changes in terms of race relations and politics as evidenced in Obama's victory as well as other ground-breaking electoral victories by candidates of color. Even with these advances, the stark realities faced daily on average by many Black people due to economic inequities related to the racial wealth gap cannot be forgotten or overlooked. Despite what some may have hoped for as a quick fix, the election of Barack Obama was not a "cure-all" for the ills plaguing Black America or for the racial tension and inequalities faced throughout the nation. In order to gain a clear understanding of the many negatives in politics and public policy still facing Black Americans today, there is a need for analysis of the gap in wealth along racial lines. While such an analysis would not delve into the entirety of racial disparities, it would go into a major factor that goes greatly overlooked especially in connection to politics and policy. A study of the racial politics and economics of the first decade of this new century shows how the problems of today stem from ones that have built up over many generations. These problems and disparities still clearly exist and will not easily disappear without clear recognition of them as issues in need of solutions along with active fights inside and outside the political system against the problems.

Racial Economic Inequalities and Issue Salience in the Black Community

At the same time the United States is welcoming its first Black President, average Black households are nowhere close to their white counterparts in terms of assets and wealth accumulation. Too many times this fact shows up as an under-

researched and lightly regarded fact when scholars, policy-makers, grassroots leaders, politicians and members of the media discuss both advances and disparities affecting the Black community into the 21st century. Many times when politics and public policy are discussed, the racial wealth gap can end up unfortunately missing when it would easily fit such conversations and research. This is a big mistake and could continue to persist as increasing focus is given to the new landscape in American politics and Black politics in particular with election of the nation's first Black president.

There are many issues relating to public policies that are of interest to the entire nation but for varied reasons end up being of particular interest to the Black community in the United States. More than any other racial or ethnic group in the country, Black Americans have unique solidarity of experiences and seem to vote with more unity than other comparable ethnic and racial groups (The Black Commentator 2002). This seems to be especially true when certain issues of particular interests or particular candidates are on the ballot. Mr. Obama's policy proposals fall in line with the long line of policies promoted by Democrats for decades which have won impressive support in the Black community. All of this should not, in any way, be seen as an implication that Blacks vote as some sort of a monolith.

Simply, there are issues with high levels of salience in the Black community. Much of that salience comes from the recognition of common disparities Blacks face in each and every income bracket when it comes to wealth and assets in comparison with White counterparts. There is a stronger sense of shared struggle in the Black

community than in some other communities relating all the way from mistreatment and struggles of the past to the perception and reality of unequal treatment and conditions today.

In 2002, an analysis of data from the Joint Center for Political and Economic Studies (JCPES) confirmed the vitality of a broad Black political consensus. Even in this new century, on average, Blacks remain in rather consistent agreement on political issues. This agreement even holds up rather strongly across income, age and gender lines. The data from The Joint Center show that Black electoral solidarity and issue salience is still in line with recent historical patterns (The Black Commentator 2002).

In 2002, the Joint Center predicted that no significant Black demographic group would diverge from the patterns of electoral solidarity in the immediate future. In 2009, it is clear that such predictions continue to hold true. President Obama won office in the 2008 election with an overwhelming amount of Black support. 96% of Black voters voted for Obama. In the 2008 election, Blacks made up 13% of the electorate. There was a 2% rise in national Black turnout for that election.

On core political issues, the JCPES survey showed no meaningful “split” among Blacks on what could be considered core political issues. This should not be taken to mean there is no disagreement or nuance in opinions amongst Blacks, it just means that on major issues there is more general agreement than not. In commenting on the results of the JCPES study’s findings Harvard Professor, Dr. Michael Dawson said,

When it comes to mainstream electoral politics, it appears that we agree about quite a lot. However, there are several things that are 'masked' by that. For

example, we [Blacks] could all look like liberal Democrats compared to the rest of them [whites], but among each other, some Blacks look like Mondale Democrats, some of them look like Clinton Democrats, and some of them look like Swedish Social Democrats - more of them look like that (The Black Commentator 2002).

Blacks do have many things on which they disagree. The Black Commentator found that those disagreements are “not necessarily in ways that are useful to [school] voucher advocates or Republicans, nor in ways that the JCPES poll was designed to detect (The Black Commentator 2002).”

Despite similar differences between Blacks and Whites in voting and political opinions, there are vast disparities between the groups in terms of the wealth they hold. Disparities in wealth have major effects on many of the things people see as needed to thrive and possibly move their families up to into higher socio-economic classes. When it comes to education and social training/experience, wealth is a key component that strongly influences these pathways to progress. In the United States, income is usually seen by the media, policy-makers and even many scholars as the economic element most essential to financial and social survival. Wealth actually is, and is finally being recognized as, the economic element most likely to lead to success. The wealthy do not tap into their savings, home equity or investments to pay off credit cards or other bills. People without real wealth, many times have trouble building any wealth due to the pressing need to use whatever “extra” they may have to simply make it month-to-month for bills and other living expenses. This, especially in these hard economic times, is no way the exclusive province of Black Americans but it is much more often the case with them than with White Americans due in great part to the racial wealth gap (Wolff 2002).

The Relationship Between Wealth and Political Access

Wealth, especially in the form of large fortunes can be a meaningful source of economic power as well as political and social influence. This source of power and influence cannot be explained or quantified with simple analyses of income figures just as the resulting influence and power are not easily quantified or measured. Many social scientists have spent years looking at income related figures and effects in relation to politics and policy while somehow overlooking the elements of wealth in many of their projects and analyses. This oversight generally does a disservice to the consumers of the information and the people who may be helped by good political and economic strategies. The economic, social and political sides of this equation should not be overlooked as a whole or in parts (Wolff 2002).

Politics and economics are interdependent entities. Wealth and its subsequent trappings have connections to how responsive politicians are to the interests of groups. It is clear that politicians grant certain levels of access to individuals, organizations and leaders of communities that financially contribute to their campaigns as well as secure votes for those same campaigns. Groups arranging contributions can be specific interests groups, fraternal organizations, unions and other groups that could have specific links communities or perceived blocs of voters, such as the Black-voting bloc (Clawson, Neustadt and Weller 1998).

For decades, coalitions to represent Black interests have been proposed and many times brought together for action but not held together for extended periods of

time. Overall, there has been a failure to organize available assets for the purpose of supporting these interests. Clearly, there is strong interconnectivity race and economic class especially evident in American society and in American social policies throughout the history of social welfare policy in the United States, especially since the New Deal Era. In the case of Blacks, there is significant amount of what could be considered crossover in interest in various policies regardless of class as measured by income (Hamilton and Hamilton 1997; Swain 1995).

The Practice of Politics in the Black Community

Traditionally, Black leaders and scholars have all mainly looked to racial gerrymandering, descriptive representation, basic identity politics and voting as a bloc as the main means of political power and advancement for the Black community. These are admirable strategies but they lack the completeness that could come with including some sort of look or consideration of wealth's impact on Black politics. Rarely, if ever, is the racial wealth gap taken into serious consideration as a cause of these glaring gaps in political influence.

Until the gap in wealth and the lack of the use of whatever wealth available are recognized as important and moved closer to or to the top of the Black political agenda as strategies, Black interests will surely continue to remain underrepresented (Cannon 1999). Wealth provides a much better chance of progress. It is very true that the long and sordid history of racism, inequality, discrimination and second class citizenship endured by Blacks cannot be overlooked. Even while recognizing those

vital parts of the Black political landscape great gains stand to be achieved if strategies related to wealth enhancement are advanced. It is important that wealth be recognized as an important political factor brought into the analysis of just how and why citizens participate politically (Swain 1995; Lublin 1999).

Undue reliance on the Democratic Party, electoral capture, “Whitened” and more conservative districts surrounding “Black districts” leading to more racial polarization in legislative decision making are a number of the ways in which the representation of Black political interest can be hindered. Even though those factors do have some influence, it would be a major mistake to ignore the racial wealth gap as a negative factor in the representation of Black interests. Only by recognizing the profound influence of wealth on policy outcomes in addition to all other factors can a complete view of Black politics and political empowerment be achieved. Wealth is not abundant in the Black community but the racial wealth gap and the concentration of wealth in the White community can be a clear benefit for White interests and a detriment for Black interests within politics and far beyond, reaching into many aspects of life and potential prosperity (Conley 1999; Swain 1995; Lublin 1999).

Finances and Politics

Even though campaigns cost money, the main reason for campaigning and spending money that is raised is in the interest of winning elected office. Candidates want to have the chance to represent people and make decisions. It takes votes to win elections. One of most the basic ways in which wealth and even income factors into

politics is connected with individual campaign contributions. Citizens with more wealth and income are also more likely to contribute, or even be able to contribute, to political campaigns than the other citizens with less wealth and income.

Once the contributions, campaigning and voting is finished, there are elected officials in office making policy decisions. If there is more wealth in a community or a better grasp on how to use whatever wealth is available in a more efficient manner that community make stand a better chance of seeing public policies introduced, supported and sometimes approved that reflect the interests of that community because there is a greater possibility of making significant contributions to campaigns. Bills introduced in Congress that address “Black interests” could increase as the amount of campaign contributions by individuals in Black communities would increase.

Legislators have many constituencies. They have people who vote for them as well as people who contribute to their election and re-election efforts. On top of those constituencies there are others whom with the legislators have connection and perceived obligations. It is easy to understand how elected officials may respond differently to groups and communities based on their levels of support. This could be the case for electoral support or monetary support in the form of campaign contributions. Legislators and other elected officials may be more likely to respond to the interests of communities seen as having greater proportions contributors as opposed to those seen as having greater proportions of non-contributors. There is a very intricate framework of how contributions could be used for political power.

Race and the racial wealth gap play a significant role in electoral politics and public policy making.

Main Points of This Study

The racial wealth gap in the United States influences political participation and has connections to and from public policy outcomes in the interests of Blacks. As mentioned earlier, the gap in wealth and asset ownership between Blacks and Whites is truly profound. There are numerous factors that can be attributed to failure or success of representing the interests of Blacks in the support of public policy proposals in the United States Congress. This project focuses on a few major factors. It is important to recognize how public policies have been so influential in the creation and perpetuation of the racial wealth gap. Next, it is very important to work at understanding how the racial wealth gap may put Blacks at a disadvantage in political influence through participation in the form of campaign contributions. In terms of policies with importance and possible impact on the Black community it is important to take a moment to see how different elected officials have voted on such issues. Public policies had negative impacts on the lives of Blacks in the past, especially in relation to their accumulation of wealth. It is important to keep an eye on the policies of the current day. Lastly, it is important to use all of this analysis as a starting point for future research. It is important to recognize the current state of affairs and recommend research and action for the future. Political involvement will be one of the major keys to economic empowerment in the Black community and that

economic empowerment will, in turn, increase political influence. Congressional politics and policy is good place to start looking at the issues at hand.

Members of Congress, as well as other elected officials, can only stay in office with the electoral support of their constituents. In efforts to get that electoral support, candidates and their campaign organizations need to gather finances through campaign contributions to maintain their campaigns for the electoral support.

Candidates of all races, representing all sorts of constituencies seek financial support in order to gain or maintain political office through votes.

Analyzing politics through individual contributions to campaigns serves as the base and main unit of analysis in this project. Contributions are very much directly related to wealth, lack of wealth and finances in general. The analysis of this variable in this particular context can go a long way in helping to show just how broadly the racial wealth gap impacts political participation and public policy outcomes.

Contributions are integral in electoral politics, especially since they are so important in the pursuit of electoral support. Research from the APSA and others shows that affluent Americans are more likely to contribute to political campaigns than their less affluent counterparts (APSA Task Force 2004).

There is a classic political science definition of politics, coined by Harold Lasswell, that has also been co-opted and recognized by many policy scholars, “who gets what, when and how (1936)?” This definition of politics clearly could use some additions. Especially in today’s politics, there is a cycle of support and perceived reimbursement for the support to get and keep officials in office. Today, one must know how each group uses their resources to acquire support in the policy arena.

Wealth and race can be seen as being located at the center of this simple yet still complicated cycle of electoral politics and public policy decision-making.

Over the past few decades, wealth in the United States has become more and more concentrated. Fewer people hold more of the nation's total wealth today compared to the past. This makes it much harder for groups and individuals who had been prevented from acquiring and accumulating significant wealth in the past to start doing so in this even more exclusive environment of modern day wealth accumulation. Coincidentally, or maybe not so coincidentally, during this period when wealth has been kept from many and grows in the hands of a few, campaign costs have risen drastically. The amount of resources perceived as being needed to prevail in many types of political campaigns has increased. In order to get elected or re-elected, finances are direly needed and therefore seem to be much more important than it may have been in the past. This provides yet another angle of advantage to those with the increasingly important political tool of wealth or even simply clear access to wealth and those possessing it (APSA Task Force 2004).

Political power, influence over policy and various types of access to elected decision makers and policy-makers have evidently been concentrated even more into the hands of the affluent. This clearly could increase inequalities in political voice, especially in the voices of communities at disadvantages in wealth and proportion of the population. The clear proof of existence of the racial wealth gap makes this inequality in campaign contributions a viable racial issue and political issue. These inequalities bring up many questions as to the responsiveness of elected officials in

areas of public policy affecting underrepresented and variously disadvantaged communities (APSA Task Force 2004).

Public policy has long been seen as the chief solution to injustice and economic inequality in the Black community. This has been the view of scholars within the academy as well as many people in the arena of applied politics and public policy. The existence and ability to acquire family wealth should be recognized as one of the major keys to the success or defeat of public policies in the interest of certain groups since wealth is so important to the ability to making political contributions. After all, the people who design, support and approve public policies at the legislative level are elected officials who clearly need financial and electoral support to maintain their positions of political power.

Plan of the Dissertation

The explanations, research and data analysis in this dissertation are divided into easy to follow areas. There is a combination of historical information, literature review, direct observations and qualitative analysis. The first and most important area of emphasis focuses on the creation, existence and persistence of the racial wealth gap. Next there are examples of how the racial wealth gap influences political participation in the form of campaign contributions to Congressional campaigns. After examples of political participation in the form of financial support are established, the next section draws connections between the racial wealth gap and public policies up for vote in the House of Representatives. Those connections are used to explore the possible perpetuation or steps toward the eradication of the racial

wealth gap through public policies and federal expenditures. The information covered in these areas will be covered over a number of chapters.

Chapter Summaries

The following serves to explain rest of the chapters in this dissertation.

Chapter 2: The Origination, Existence and Persistence of the Racial Wealth Gap

The groundwork of what is the racial wealth gap will be exhibited is established in this chapter. There is a distinct history in the United States that set up the gap in wealth which exists along racial lines especially between Black and White populations. In linear historical approach, the various government policies, actions and in-actions contributing to the creation and persistence of the racial wealth gap are covered in this chapter. Literature review and other analyses serve in illustrating how the racial wealth gap not only originated but persisted and actually diversified and combined with other circumstances to contribute to racial inequality in the United States. The generalization of the issue of the racial wealth gap sets up discussion and analysis of related issues throughout the rest of the dissertation. It is important to recognize just how generational the wealth gap is and how that can be very connected to economic power and political access in the Black community.

Chapter 3: Black and White Political Participation in Relation to Wealth

Chapter three brings electoral politics and campaigning into the discussion of the wealth gap. This chapter illustrates how wealth (or lack of wealth) may effect campaign contributions from selected communities. The lower levels of wealth in the

Black community established in the first two chapters serves to fuel the arguments in this chapter. Throughout the chapter using qualitative analysis, it is clear that Black communities generally do not have the same levels of resources available for campaign contributions as similar White communities.

Traditionally, campaign contributions are shown to generally get strong responses from elected officials. These officials see the contributions as keys to gaining electoral support since they need significant amounts of money to fund campaigns which are increasingly rising in cost. Their hopes for electoral support diminish without the prospect of solid financial support through campaign contributions.

Differences in participation between Blacks and Whites based on wealth and how wealth connects to them is analyzed and presented in this chapter. How does the racial wealth gap impact contributions to successful Congressional campaigns? Differences for districts and zip codes with varying proportions of Black residents with differing levels of wealth are analyzed. The different worlds of campaign finance along lines of race and wealth are analyzed in this chapter.

The state of Maryland and the 2004 election cycle, which elected the 109th Congress serves as the case study and backdrop in this chapter. Being such a diverse state along racial and economic lines, it provides many instances for analysis. Congressional elections, campaigns, districts, constituencies and the politics of all of those are included in various elements of this chapter. Once political participation is analyzed throughout this chapter, the stage is set to examine connections of that political participation to public policy decisions.

Chapter 4: Public Policy Decisions, Federal Expenditures and the Continuation of the Racial Wealth Gap

Chapter Four serves to exhibit the many ways in which current day public policy decisions and federal expenditures may continue to perpetuate the racial wealth gap in the United States. Public policy decisions on issues that could be considered as being in the Black interests are explored in this chapter. The decisions made by Congressional Representatives on such issues with connections to the pertinent aspects of the racial wealth gap (housing, education and employment) are examined in this chapter in light of the details covered in the two proceeding chapters.

The policies and Black interests identified earlier are analyzed in real world, current day settings in this chapter. What kind of policies in the Black interests are being supported or opposed? Which ones are passing and which ones are being defeated? Insights gained in proceeding chapters are used to paint a clearer picture of the entire situation in this chapter.

Chapter 5: The Current Issues, Conclusions, and Uses for Research

This chapter wraps up the study. It revisits the original questions as well as the answers provided throughout the dissertation. The ways in which the literature and the discipline have been advanced are detailed in this chapter. Suggestions for further research and study are included in this final chapter. This study uses a

community and state level case study to explain and analyze a national question. So there are questions that could be asked on the national level or in other state and local settings. This final chapter wraps up by making some suggestions for future research in those settings.

Chapter 2: The Creation, Existence and Persistence of the Racial Wealth Gap

The Racial Wealth Gap in the United States of America

A development uncovered recently by the Federal Reserve in their Survey of Consumer Finances, a report they deliver every three years on how United States households are fairing financially by reporting on household assets and liabilities, showed that the racial gap in family wealth had actually grown in recent years. Black families on average are at a major disadvantage to their White counterparts when wealth is measured, only holding a dime to every dollar held by White families in 2007 according to the Federal Reserve report. In 2004, the Black families had twelve cents for every White dollar. Much attention has been given to the income gap between Black and White families which is also growing but is by no means as vast as the wealth gap which makes the much wider gap in wealth seem even more profound. In 1974, the typical Black family had an income which was 63% of the typical White family. Unfortunately that number fell to 58% by 2004. 63% or 58% in terms of Black income versus White income is much less of a gap compared to the 10% of household wealth held by Black families when compared to White families. Since wealth is not as common of a financial measure as income when it comes both to academic research and everyday conversation, questions may arise about the importance or even the existence of any gap in wealth along racial lines. Recently in commenting on the wealth gap between Blacks and Whites, Meizhu Lui, director of the “Closing the Racial Wealth Gap Initiative” at the Insight Center for Community

Economic Development said, “This is not just a gap. It's a deepening canyon (Lui 2009).”

The racial wealth gap can be more informative than other gaps like income in explaining many types of persisting racial disparities. Lui notes the importance of wealth, “Building wealth is essential to the American promise of opportunity for economic mobility and security regardless of the accident of one's birth (Lui 2009).” The first question that may come up about the wealth gap could relate to the roots of such a gap. How could the racial wealth gap be created, exist and even persist in a democracy like the United States of America? The causation, continuation, current existence and persistence of this gap mirror other chasms between the White and Black populations in the United States. Racial inequality has a long and wide reaching history and scope in America.

There are numerous aspects of racial inequity in the United States and they, along with racism, are stains on the fabric of American life that have persisted for generations and show the signs that they will persist in some form for generations to come. The racial wealth gap is a mere manifestation of the years of inequality of economic opportunities along racial lines. Clearly, it took generations of such inequalities of opportunities to come to the current point and it will take scores of actions along with expanded understanding of the situation to even begin reversing its effects in American society. As was explained above, there have been advances in closing racial gaps in income, but those advances have not resulted in positive results in closing the racial gaps in wealth. In fact the racial wealth gap has grown at points, including the current situation.

Income has been used as the main indicator by many generations of scholars and policy makers in comparing the welfare of groups in the United States. In many cases income is still used as the measure today even though measures of wealth have generally proven to provide more insight in most cases. Using income provides a rather one dimensional and incomplete picture of economic well-being and inequality amongst racial and ethnic groups. In the last few decades, wealth has been increasingly used as a measure in this area of research (Lui 2009). Unfortunately, wealth has not yet become universally accepted or even understood as the dominant measure when comparing communities and populations.

Wealth is what families and individuals own. The main place Americans hold wealth is in their homes. Other players include real estate, businesses, and other liquid assets (savings accounts, CDs and money market funds, etc...) In order to figure out the wealth someone holds, total debts need to be subtracted from those debts. In most cases, large debts come in the form of home loans, auto loans, consumer debt and student loans. The difference from subtracting those debts from the assets equals wealth. Sometimes wealth can be referred to as net worth (Wolff 2007).

Edward Wolff, a scholar well known for his work exploring various elements of wealth in the United States, makes clear the importance of wealth in analyzing economic well being. He also clearly states the importance of wealth in a representative democracy:

Most studies have looked at the distribution of well-being or its change over time in terms of income. However, family wealth is also an indicator of well-being, independent of the direct financial income it provides. There are six reasons. First, owner-occupied housing provides services directly to their

owner. Second, wealth is a source of consumption, independent of the direct money income it provides, because assets can be converted directly into cash and thus provide for immediate consumption needs. Third, the availability of financial assets can provide liquidity to a family in times of economic stress, such as occasioned by unemployment, sickness, or family break-up. Fourth, as the work of Conley (1999) has shown, wealth is found to affect household behavior over and above income. Fifth, as Spilerman (2000) has argued, wealth generated income does not require the same trade-offs with leisure as earned income. Sixth, in a representative democracy, the distribution of power is often related to the distribution of wealth (Wolff 2007).

It is clear that wealth is an important factor in analyzing the conditions of families, especially along racial lines. As Wolff points out as his last reason for wealth being an important indicator of well being, the distribution of power in a representative democracy is often related to the distribution of wealth. Wealth can have effects on political participation and public policy outcomes. Those points will be explored further throughout this study.

Wealth Distribution in the United States

It was not until the 1967 Survey of Economic Opportunity (SEO) that the United States Government made any significant effort to examine the differences in wealth along racial lines. Like this study, that 1967 survey focused on a comparison of the conditions of Blacks and Whites. Looking back to 1967 shows a very negative reality for the progression of Black wealth over the decades. According to the information obtained in these surveys, Black wealth rose a bit and it is now seen again at less desirable levels, especially in comparison to that of Whites and when inflation is taken into account.

According to the calculations of the SEO, in 1967 average Black household wealth was 18.8% of white household wealth, \$16,972 to \$90,507. By 1984, when many would expect the impact of advances and changes accomplished during the civil rights era of the 1950s and 1960s, Black household wealth had actually risen to 25.9% of that of White households. Black household wealth had risen to \$31,992 and for White households; wealth had risen to \$123,677. A decade later, one would expect even more significant gains towards equality for Blacks in the realm of household wealth. That would not be the case. In 1993, Black household wealth was at 26% of White household wealth with the actual averages rising slightly to \$34,270 and \$131,613 respectively. Change has been slow or in many cases non-existent for many Black families when it comes to wealth and asset accumulation (Gordon Nembhard 2006).

Wealth in the United States is concentrated in the hands of those at the top. The 1% of Americans in terms of wealth holds over 34% of the nation's wealth. On the opposite end of the spectrum, the bottom 40% of the people in the United States hold less than a quarter of a percent of the nation's wealth. The "haves" have been doing better in terms of accumulating wealth and the people at the bottom of the economic totem pole (the "have-nots") have not been able to build household wealth and in many cases they have been going deeper into debt over the years. The negatives of these imbalances in wealth distribution are magnified for Black families (Federal Reserve 2004).

Today, around half of Black households in the United States could technically fall into the vast socio-economic group known as the American Middle Class. That

does not mean much in terms of wealth when it is recognized that the middle class designation is based on income and even when Blacks are part of various income brackets, statistics show that Blacks, on average, are on the bottom of those groups in terms of assets and wealth. The typical White family earning \$40,000 per year has a nest egg of around \$80,000. A typical Black family earning that same \$40,000 has less than half the amount as the White family saved as a nest egg. Even when attention is turned to the wealthiest Americans, there are significant difference between the richest Blacks and rich Whites. Oprah Winfrey (the billionaire media mogul) and Robert L. Johnson (founder of Black Entertainment Television) are the only African-Americans on the *Forbes* annual list of the 400 richest people in the United States. Both of them are at the lower end of the list and they both made their fortunes in short order in media related industries. Many of the richest White people have more significant fortunes bolstered by generations of family wealth gained in more traditional industries (Conley 2001).

Dalton Conley had one statistic (detailed below) that inspired his groundbreaking book, Being Black, Living in the Red and that along with other statistics and the fact that there was such persistence and growth of the racial wealth gap even a decade after his work inspired me to look into the wealth gap from my own perspective of politics and public policy. In order for me to make any connections to the worlds of electoral politics and public policy, I needed a clear understanding of the racial wealth gap. To this day what Conley cited as his inspiration is very sobering:

In 1994, the median white family held assets worth more than seven times those of the median nonwhite family. Even when we compare white and

minority families at the same income level, whites enjoy a huge advantage in wealth. For instance, at the lower end of the income spectrum (less than \$15,000 per year), the median African American family has no assets, while the equivalent white family holds \$10,000 worth of equity. At upper income levels (greater than \$75,000 per year), white families have a median net worth of \$308, 000, almost three times the figure for upper-income African American families (\$114, 600) (Conley 1999).

The basic lesson to be gathered from this profound excerpt from Conley's work is that judging the welfare of groups by income is not a complete measure since wealth is not accounted for in such a measure. Family wealth and assets are the much more meaningful economic measures than income.

There were significant gains in wealth in the United States between 1983 and 2004. During that period, the largest gains were made by people who already had significant levels of wealth. The wealthiest households were the ones to realize the greatest gains. In fact, the average wealth of the top 1% rose by over 78%. That averages out to over \$6 million per household. Of the rest of the households in the top quintile had average increases in wealth between from 78% to 92%. The households in the fourth quintile had average increases of 57% and the middle quintile saw more modest gains of 27%. Alarmingly, the poorest 40% of Americans ended up not only missing out on the gains of wealth seen by the other groups but they ended up losing 59% of their wealth. In fact, the poorest 40% ended up having their wealth fall by an average of \$2,200. Many Americans were multiplying their wealth and another group of Americans, the ones who needed the most help, were losing wealth (Wolff 2007).

Wealth is an important factor in measuring power and standards of living as has been stated above. It is very important to the prosperity of families. When

talking about distributions of wealth in the United States. Alan Greenspan, former Chairman of the Federal Reserve Bank said, "Ultimately, we are interested in the question of relative standards of living and economic well-being. We need to examine trends in the distribution of wealth, which, more fundamentally than earnings or income, represents a measure of the ability of households to consume (Lui 2009).” There is a clear need for investigations into the many ways in which any gaps in wealth may affect the lives of people in many ways, especially in political participation. There are gaps between many different groups of people including racial groups.

The election of the first Black president has lead many people to start overlooking the importance of race in examining economic and political issues in the United States. This could be a major mistake since many inequalities in the nation are so closely tied to race due to the long history of racial inequality. The popular term currently being used to describe the current state of affairs in the United States is “post-racial. Meizhu Lui has a major problem with the whole idea of post-racialism since it fails to pay attention to the racial wealth gaps, “The overhyped political term "post-racial society" becomes patently absurd when looking at these economic numbers (Lui 2009).” If there is a gap in wealth along racial lines, there is a gap in potential and opportunity along those same lines. The most significant predictor of the economic status a child will grow into as an adult is the net worth of their parents. Lui clearly states, “Even modest inheritances or gifts within a parent's lifetime -- such as paying for college or providing the down payment on a home -- can give a child a lift up the economic ladder. And historically, white families have enjoyed more

government support and tax-paid subsidies for their asset-building activities (Lui 2009).” In exploring just how impactful the racial wealth gap can be it is very important to understand the background of the gap and its many implications including sociological factors like “white privilege.”

“White Privilege” and the Racial Wealth Gap

Peggy McIntosh, an expert in women’s studies and white privilege, defines white privilege as “an invisible package of unearned assets that [Whites] can count on cashing in each day, but from which [whites] were ‘meant’ to remain oblivious (McIntosh, 1990).” White privilege consists of advantages available to many Whites but not generally available to members of other groups, especially Blacks. An example of a basic element of white privilege that many people would not recognize as a privilege of being white is the fact that many Whites can depend on getting “a better than average public school education, an interest free loan from the First National Bank of Mom and Dad, and a house in a ‘desirable’ neighborhood with low crime (Schlumpf 2006).” Because of the racial wealth gap, Whites in the United States have higher chances of living out the life opportunities described above than do their Black counterparts.

There are many things that may be allotted to Whites through white privilege. Over time in the United States whiteness has become more than simply a skin color or racial classification, it has become an identity. Construction of race scholars, Dr. Mark Rose and Dr. Eric Avila further make the point of the creation of whiteness as

an identity over time, “Jews, Protestants and Catholics as well as Italian, German, Irish and Polish Americans all fell under the aegis of a more inclusive white identity (Avila & Rose 2009).” While increasing amounts of people were brought into the White identity and allowed the benefits of white privilege, Blacks were always on the outside of any such inclusion in benefits, perceptions or identity. To be “truly American” many times has meant to fall into that White American identity bolstered by white privilege.

White identity and white privilege has shown itself in the racial wealth gap. Inequalities in the United States show up many times along the lines of race. In general, Blacks have been privilege to drastically fewer opportunities than members of the ever-increasing community of people considered to take part in the white identity. Those inequalities have shown up in aspects of society connected to wealth creation and perpetuation such as education and housing. Housing and education have direct connections to public policy and therefore politics. There are many common threads in the racial wealth gap, white privilege, public policy and political participation. White privilege has the effect of enhancing the possibilities of wealth accumulation for Whites while in turn doing nothing or maybe even hampering the wealth accumulation of many non-Whites. There have been many to associate a cost being born Black. There is what could be considered a tax to being able to benefit from white privilege. W.J. Bynum estimates that “the cost of being born Black in America is \$43,143 in mean net worth and \$25,794 in mean net financial assets (Bynum 2004).”

Slavery as the Root of the Gap

The United States was founded first as a group of British Colonies and later as an independent country bearing the indelible stain of the sin of slavery. The racial wealth gap that exists and persists still today between Blacks and Whites can be traced all the way back to that original sin of slavery on American land. Slavery shows up as the root of the creation of such a glaring gap in wealth and assets between the White majority and the Black minority in the United States. It is easy to recognize how a people who were once considered things, objects or property and not people or citizens would have a rough time accumulating assets of their own and passing them through the generations. Records show the ancestors of many of today's Black Americans listed in wills and other manifests of their "owners." (Pevar 1992).

Slave-owners included the Black people they enslaved as significant portions of their own family wealth that, in many cases, was passed through generations. Black people in bondage as slaves who produced children ended up creating even more wealth for their owners. This form of slavery, "chattel slavery" did not simply take Blacks into account as people in a state of enslavement but as all out property as were their offspring. Holding of wealth in the form of human property and their offspring was easily multiplied for the benefit of the White slave-owners and their families (Axelrod 1993).

Many people besides the enslaved Blacks benefitted financially from the slave trade. The owners and operators of slave ships as well as the companies insuring the ships and slaves directly all made money and built wealth wrongfully off of the sweat

and blood of enslaved Black people. Clearly, the institution of Slavery in America was the catalyst behind the profound gap in wealth we still see today. Slavery was the major part of the most elemental divides of wealth the United States could ever see or create. Those who owned slaves brought in much more money than many who did not, they were in a much better position to build wealth with such high levels of income. In 1850, the average South Carolina slave owner's income was more than ten times the average of all White residents of the state (Lui, Robles, et. al. 2006).

During the times of slavery, even "free" Blacks many times had severe limitations on property ownership, travel, commerce and many other aspects of full citizenship most of their White counterparts enjoyed. The system was not only initially established to the disadvantage and abuse of Blacks who originally had been brought to the continent against their will but over the decades and centuries new hurdles and barriers to wealth, justice, freedom, safety, happiness and general well-being for Blacks were created and raised over and over again (Lui 2004).

The Reconstruction Years

In the mid-1860s as the Civil War ended, the Union looked to come back together and the evil institution of chattel slavery finally came to an official end in the United States, Blacks were in a very bizarre position. They did not know their place in this society. Were they really free? Would they finally be able to live the lives fought for by the Revolutionaries and detailed in documents such as the Declaration of Independence, the Constitution and the Bill of Rights?

Reconstruction was part of the first efforts by the federal government to grant even basic rights to Blacks. This attempt to provide basic rights came in the 13th and 14th amendments to the Constitution. The 13th Amendment (1865) made slavery illegal throughout the United States and the 14th Amendment (1868) made everyone born or naturalized in the United States a citizen and also disallowed states from depriving any person of life, liberty or property (Matthiessen 1984).

Newly freed Blacks had desires to reconnect with family and friends that they had lost and been separated from during the evil years of slavery. By this time many; if not most knowledge and recognizable direct connections back to countries, tribes, communities and families back in Africa had been lost to the horrors of generations of slavery and separation. These newly freed people had simply wants and needs to care about at first like taking care of themselves and their families. But, how would they do these things in such a state of disarray? The South was now an occupied territory and the former Confederates were not in the mood to accept their former “property” as equals or neighbors (Matthiessen 1984).

One day people were property, the next day they were supposedly free to accumulate their own property and assets. How could such a monumental task be accomplished in the best conditions, much less these conditions of segregation, hate, terror and racism all around? Hundreds of years had gone by since many of these peoples’ ancestors brought from West Africa had last had control of their destinies and even their bodies. Generations had born and died in bondage. In all of that time there were White counterparts owning land, accumulating wealth and sometimes owning humans. Some say there are two worlds today in America, a Black one and a

White one that have existed since in some for since the founding of the nation. There was a lot of lost time and lost opportunity for newly freed Black and the Black community in general to make up for in this new era (Hartmann 2002).

After the Civil War and the abolition of slavery, Blacks were in the losing position of being in the United States, a country that was not sure what to do with this group of people. The government and the majority of Whites in the United States did not accept Blacks as full-fledged citizens in practice or by law. The levels marginalization of Blacks and contempt varied community to community and region to region, but the fact remained that Blacks were not seen as equal or deserving in any aspect of the dominant White society. Thoughts of acquiring assets and building wealth for future generations were not luxuries many Blacks had time to think about (Hartmann 2002).

The United States missed a very clear opportunity to actually make significant moves towards a "level playing field" at the end of the Civil War. The Freedmen's Bureau, along with the Union Army in the defeated South right after the end of the Civil War actually did some work towards giving newly freed Blacks an equal shot in life. They even distributed some land to Blacks. This was the real-life exhibition of the theory and idea of "40 acres and a mule." This may have not been as promising as that but it was something and it was more than would ever be done for many generations to follow. Unfortunately, the Freedmen's Bureau ended up being dismantled and disbanded after a mere seven years of existence. In that time, it had delivered spotty work, at best (Hart 1995).

The distribution of land and wealth amongst former slaves that the Freedmen's Bureau was able to accomplish in its time of existence may have been the basis for a slow and steady groundswell of wealth and influence in the Black South and therefore across Black America, if it was simply left alone. That would not be the case. Even with Blacks only getting a very modest and much less than needed hand up after many generations in bondage, it was taken away (Williams 2004).

The great majority of land and other related assets that had been allotted to former slaves by the newly disbanded Freedmen's Bureau were allowed to be taken away by White landowners and local officials. Many Blacks were left back at square one with nothing. Their former oppressors and "owners" were being restored to their former influence and power. The land snatched from the former slaves who had been simply trying to make a way in a land to which they were forced and returned to those who had enslaved them for so long. The plantation owners were back in the driver's seat with wealth and power to boot. They also no longer had to contend with the occupying Union Army or agents from the Freedmen's Bureau. Whites surely won the war of the South that occurred in terms of economic and political power after the end of the Civil War. Blacks were the big losers and things would get much worse before they would ever get better (Williams 2004).

The somewhat newly freed and very newly "de-propertied" Black folks were very much unable to get a foothold as self-employed farmers. Things were hard enough when some Blacks had newly acquired land. With the land taken away, there were very few options. Many Blacks in the South were forced to accept clearly unfair sharecropping arrangements, with White plantation owners. While sharecroppers kept

some part of the fruits of their labor as in-kind income, the system kept them perpetually in debt and unable to accumulate any assets (Iverson 1994).

The well documented Jim Crow laws throughout the South sought to bring the White dominated “order” of things back to the region. Policies such as the Black Codes required Blacks wishing to venture into business to pay exorbitant licensing fees. Such fees amounted to as much as \$100 which was a small fortune in the late 1800s. At the same time Whites had no fee to pay. Once again, the Whites in power had created a barrier between Blacks and Whites at the bottom of the socioeconomic ladder. The Whites could be happy that their “Whiteness” had gotten them out of paying such fees and the Blacks were greatly hindered from charting their own courses in business and life in general (Baxter 1995).

The political, economic and social systems have never been set up to advantage Blacks. There have always been hurdles to economic stability and generational wealth in this community, a nation within the nation. Inequality of opportunity along racial lines has been a catalyst for the racial wealth gap. On one hand, Blacks have been a general disadvantage. On the other hand most Whites have clearly benefited in some way from “white skin privilege.”

The Racial Inequalities in “The New Deal”

Blacks did not benefit from the numerous policies intended to pull the nation out of the Great Depression, known collectively as the New Deal, in the same way their White counterparts benefitted. The New Deal ended up cutting Blacks and other

people of color out of programs very vital to wealth accumulation such as Social Security. Until the 1950s, the Social Security program did not cover the professions most prevalent amongst many Blacks and other people of color. The laws excluded domestic and agricultural workers. In the 1930s, 60% of Blacks did the domestic or agricultural jobs which were specifically excluded in the early days of Social Security. In fact those numbers were even higher in the South, with those two types of occupations employing almost 75% of Black workers and 85% of working Black women (Lui, Robles, et. al. 2006). There are many Blacks living today who are parts of the modern labor market who have been disadvantaged by such practices of the past since their parents and grandparents did not fully partake in the Social Security program (Williams 2004).

Many of the details of the programs which specifically put Blacks at disadvantages were purposely pushed through by Southern White congressmen and not blocked by others. There were actions in Congress to blatantly assist Whites and disadvantage Blacks. In his highly acclaimed book, When Affirmative Action Was White, Ira Katznelson notes, “Southern congressmen, committed to preserving social order, wanted to keep their maids, sharecroppers, and field hands desperate, without any other options. Fifteen dollars a month in Social Security old-age benefits would have been well above a sharecropper’s income of \$38 to \$87 per person per year (Katznelson 2005).”

One bridge from the negative past of many families not being able to partake in Social Security is that the children and grandchildren of many of those people are not only less likely to have anything to inherit, but they have to financially support

these elders in their families. The money currently spent by those of the younger generations on supporting family members from the older generations could instead be used to build up savings and acquire assets much like is done in many white families. In addition to the many Blacks who were not covered at the inception of the Social Security Program, there are many other individuals who may have worked in covered occupations but their families are still disadvantaged by a lack of coverage. 42% of Black workers in those covered occupations did not earn enough to qualify for Social Security benefits. On the contrary, only 22% of Whites in those same occupations failed to qualify for benefits (Katznelson 2005).

Even though some Blacks had made advances into new occupations and new living situations in the cities of the north and south, they did not benefit from the new government programs in the same way as their White counterparts. Social Security and other New Deal programs ended up extending white privilege and made the obstacles faced by Blacks in wealth accumulation even greater in comparison with Whites.

If Blacks would have been able to benefit from Social Security and other New Deal programs in the wide-reaching fashion in which Whites benefitted, evidence shows a major difference could have been made for the Black community as a whole. The few Blacks (2.3 million) who were actually able to benefit from old-age insurance saw a remarkable improvement in their lives as retirees and proved to be much less of burdens on the finances of their families (Katznelson 2005). The benefits these individuals received ended up helping their families have much better chances of accumulating wealth.

As was mentioned previously, there were many New Deal programs favoring Whites and contributing to their wealth accumulation and doing nothing of the sort for most Blacks. In the same way many Blacks missed out on Social Security Benefits due to their occupations. They missed out on unemployment insurance and the minimum wage since Congress dictated that those benefits not be available to farm workers or domestic workers. As many Blacks saw the country changing around them they were pushed further out to the fringes of society by being excluded from so many economic boons that were helping many Whites realize previously unthinkable levels of family wealth and economic security (Katznelson 2005).

The ground level administration of many New Deal policies took policies that may have been color-blind on the surface and turned them into ones that benefitted many Whites and disadvantaged many Blacks. This is a running theme with the many public policies throughout American history which contributed to the creation and perpetuation of the racial wealth gap. The New Deal relief programs were funded 70% through the federal government and its Federal Emergency Relief Administration but they were administered by local authorities. Those local authorities had the power to determine levels of benefits for individuals and who may be eligible for those benefits. That was surely not an aspect of policy implementation which favored Blacks who were already marginalized in American society (Quadagno 1994).

To further exclude Blacks from access from many of the benefits of the New Deal programs, Southern congressmen succeeded in preventing two rules from passing which might have proved to be beneficial to Blacks. The first rule would

have required states to set levels of relief at “a reasonable subsistence compatible with decency and health.” Those Southern congressmen did not want to have any rules preventing the local authorities from denying benefits to certain people like Blacks. The other rule would have centralized relief in each state into a single state agency. Once again, that would have taken a lot of the autonomy away from local authorities who had many ways to exclude Blacks and other potential recipients they deemed as “undeserving” from receiving benefits (Abramovitz 2000).

In an effort to prevent some Black families from benefitting from another program in 1936, members of Congress amended the rules of the social policy program known as Aid to Dependent Children (ADC). Children in poor two-parent families were excluded from the program. It is thought this was because there was an unfounded fear that poor able-bodied Blacks would stop working. No one took time to question why or how there could be two income Black families still bringing in so little money that they would still qualify for these benefits that usually only single-mother headed households would qualify for amongst Whites. Black workers, on average, earned much less than Whites for the same jobs. The program ended up only benefitting children with absent, dead or incapacitated parents or guardians. As was the case with other policies, the states were free to set levels for benefits. In the South, there were states that either set benefit levels very low or even ended up not even having ADC programs. Much of this was an effort to not assist the hoards of poor Blacks in those states (Katznelson 2005).

All Blacks in rural areas were not domestic workers or farmhands; there were Black farmers who needed assistance just like White farmers needed as a result of the

Great Depression. Black farmers are still fighting with the government over inequalities in federal farm aid and there was racial inequality in the aid given as part of the New Deal. The benefits resulting from the Agricultural Adjustment Administration's farm aid policies went disproportionately to White farmers, excluding Blacks. As a result of such discrimination, the potential of Black wealth accumulation was dealt a very harsh blow at a time where the fortunes and family wealth of White farmers and their families were being preserved and assisted. The number of Black-owned farms drastically decreased. In 1930 there were over 900,000 Black-owned farms, by 1939 that number had dwindled to 682,000 (Gilbert and Eli 2000).

In many rural communities, Blacks who were tenant farmers and sharecroppers were pushed even lower economically. They ended up being displaced from the poverty level positions they had managed to hold onto up to that point. White farmers were being assisted by the government through subsidies, training and other farm aid programs run through the federal government in which Blacks were not allowed to partake. This government assistance ended up enabling many White farmers to cut ties with many of the Blacks who had worked their land. The cash given to those White farmers to make up for drops in prices of various crops, including cotton, enabled them to purchase farm machinery and evict many of the Black sharecroppers and tenant farmers. Even when the federal government took steps to ensure half of the funds be distributed to the tenants through amending the laws; many of the landowners simply stole the checks and their tenants never saw any of the money. Many Blacks were in a losing situation in relation to wealth

accumulation, especially when compared to their White counterparts in these rural areas (Gilbert and Eli 2000).

The federal government did attempt to raise wages for farm workers, but it back-fired in terms of leveling the racial playing field. Most times throughout the implementation of New Deal programs something would happen to help whites in ways much more than Blacks in terms of economic assistance. Many Black workers held farm jobs not covered by the wages of \$12/week set by the National Recovery Administration (NRA) for cotton farm workers. The cotton plantation owners ended up cutting the wages they paid to their Blacks workers in order to cover the higher wages mandated for their White workers who were in jobs covered by the program. Other circumstances ended up hindering Blacks from benefitting from other times when minimum wages were implemented in other industries. Mandates for minimum wages in industries like tobacco stemming and coal mining led to mechanization the elimination of those jobs. The Black workers who were displaced by such actions were not as likely to find alternative employment as Whites. Things were so bad for Blacks in dealing with the policies of the NRA that many even started calling the National Recovery Act the “Negro Removal Act (Williams 2004).”

Blacks were left out of the many of the advances brought about for industrial workers in relation to the New Deal in many ways similar to those ways in which Black agricultural workers were excluded. While labor unions were gaining power and legitimacy with the passage of the Wagner Act and other programs, those unions also remained mostly White-only. Those unions not only excluded Blacks from their ranks but in many cases they lobbied and campaigned to exclude Blacks from their

trades. At yet another point where the opportunities that were being created to help the American people rise up out of the economic issues of the Great Depression, Blacks were mostly excluded (Katznelson 2005). While Whites were gaining power over their work and through unions turning many trades into the ones that would contribute to the economic boom of the 1950s and beyond, Blacks were left without such means to build wealth and make a better life for future generations.

Even though the NAACP lobbied for clauses barring racial discrimination by labor unions in an effort to get Blacks included in many of the victories for unionized workers being won through the Wagner Act and other policies, nothing changed. In fact, the American Federation of Labor (AFL) publically proclaimed they would rescind their support for the legislation if any clauses barring racial discrimination by the unions remained. The National Labor Relations Board allowed some unions to organize only White workers due to many loopholes in their rules and what seemed to be a general lack of interest in the plight of Black workers (Jones and Jacqueline 1998). These missteps by authorities in terms of showing concern for all workers did a lot to perpetuate the racial wealth gap. There were some times where Blacks did share in some of the benefits of the New Deal programs but it was never on the level of the benefits realized by Whites.

Whites have long had more access to home ownership, which has been a main way American families have held wealth and pass it between generations. The New Deal had programs to assist in that action so essential to wealth accumulation. In 1933, the Home Owner's Loan Corporation (HOLC) was created to assist home owners in avoiding foreclosure. There were over a million loans issued and none of

them went to a Black homeowner. During the depression, Blacks were much more likely to lose their homes than were Whites due to the lack of assistance from the government (Conley 1999).

Blacks ended up in a worse situation in relation to acquiring homes after the New Deal policies started than they were previously. They were left to compete in a housing market with Whites who, many times, had the backing of the government. The Federal Housing Administration (FHA) only insured loans they deemed economically sound. So, they red-lined the low-income neighborhoods inhabited by many Blacks. This was also the case for many mixed-race neighborhoods. After a while, Banks refused to give out home loans without FHA insurance. If a person lived in a Black or mixed-race area, they could be insured they would not get FHA insurance. So even if the Black borrower wanted to purchase a home in an area that was not red-lined, they would be excluded from such an all-White area by the steering of real estate agents, restrictive covenants and racist neighbors (Conley 1999).

White homeownership was propped up by the New Deal policies on home ownership. At the same time due to so many exclusions on Blacks, even Blacks with the means or potential to own homes were left out in most cases. The result was the same programs that helped Whites own homes ended up promoting Blacks living as renters. HOLC originated redlining by outlining neighborhoods on a color-coded map as a part of their appraisal and rating system. The Black areas were labeled as the last ones in alphabetical order and their color on the map was red. The D/red

areas were looked upon as the least desirable areas and the least likely to get any home financing (Conley 1999).

Due to the redlining system that was created by the government, many Black families were usually able to buy homes only if they could side-step the need of a mortgage. If a family would not need a mortgage they were probably very wealthy and that was not a very common occurrence. Not many Americans of any color were able to pay for a new home completely without any financing. So, the de jure discrimination faced by Blacks in terms of access to federally backed home loans excluded them from home ownership in most cases resulting in a great disadvantage in building family wealth. In addition to the discrimination in the federal system, on the local level, there were multiple municipal ordinances that disallowed Blacks from residing within city limits or, in some case, being in the town after sundown. Blacks were clearly being marginalized by the actions of federal, state and local governments (Loewen 2005).

Post-World War II Policies

Much of the wealth built in the White community and currently being passed from Baby Boomers to younger generations was originally built due to the assistance of the Government. The federal government was once again active in aiding Whites in wealth accumulation while, in many cases, excluding Blacks. Most Black veterans of World War II, for example, were excluded from accessing the benefits of the GI Bill's educational and mortgage programs. At the same time, over five million white

families found themselves arriving in the ever burgeoning middle class after the war. They were the beneficiaries of federal assistance and the government did nothing to work to bring more Blacks into the fold despite their work and sacrifice in the war.

The GI Bill was the common name for The Serviceman's Readjustment Act of 1944. This far reaching program was created in the interest of rebuilding the United States after years of dealing with the Great Depression and then participating in such a huge war. There were many returning soldiers who needed places in society and the workforce. The GI Bill aimed to make higher education and homeownership possibilities for these returning troops through making them affordable. In fact, the government was so committed to the GI Bill that in 1948 the program made up for 15% of the federal budget. At the same time, 80% of American men born in the 1920s were part of the program. There was \$95 Billion spent in relation to the program from 1944 to 1971. The government was obviously committed to propping up the wealth and prosperity of many Americans. Tragically, there were many cases where Blacks were fully or partially excluded from this unprecedented federal expenditure (Katznelson 2005).

On face value, the GI Bill programs were colorblind. Even though all veterans were supposed to be eligible for the programs regardless of race, it was mostly the White veterans who ended up fully benefitting. On top of the types of discrimination seen in the implementation of the New Deal policies there were other realities leading to the Black community not benefitting from the GI Bill in proportion to the White community. Before and during the war, many Southern states had rejected Black volunteers. Later when troop shortages led to the induction

of more Blacks beginning in 1943, the rejection rates for Blacks were still higher than it was for Whites. For many reasons, there simply was a higher proportion of Whites who served in World War II in comparison to Blacks. Around 75% of eligible Whites served in the war and around 50% of eligible Blacks served (Katznelson 2005).

There were many Blacks who served in World War II despite the discrimination Blacks faced with induction into military service. Once the GI Bill Programs were introduced, many Black veterans thought they would finally end up having equal access to something. This was especially the case a few years after the war when President Truman issued his 1948 executive order disallowing segregation in the military (Fuchs 1990).

Many of the hopes for equal treatment for Black veterans began to waiver as it became apparent that the programs would not be implemented equally. Additionally, there was lingering resentment about the exclusion of so many Blacks from the military during the war. The many who were allowed to participate in the military, especially Whites, were now returning to society with many benefits being provided to them by the government. Black veterans had much lower participation rates in the GI Bill program in comparison to their White counterparts. Sometimes, general discharges given to Blacks were wrongly considered in the same light as dishonorable discharges and other times Blacks who objected to discrimination during their service had discharges downgraded. Types of discharges had serious impacts on who would be eligible for benefits (Onkst 1998).

There were many ways in which Blacks were excluded from the programs on the ground level. Higher Education was one of the major ways in which Whites were able to benefit from the programs while Blacks were often excluded. Blacks were largely missing out on the educational aspects of the GI Bill while over two million veterans attended college using the program. In most cases, White colleges and universities did not allow Black students in most cases. There were Historically Black Colleges and Universities but they were overwhelmed with applications and had no way to accommodate all of the veterans who wanted to use the program. Because of the lack of space at the Black colleges, 55% of applicants were turned away. Even when Blacks did get into White colleges, the numbers were minuscule. In the late 1940s, there were never more than 5000 black students at all of the Northern and Western colleges combined (Katznelson 2005).

White World War II veterans were more educated than many Blacks going into the war. So, once the war ended the Whites were much more likely than many Blacks to take advantage of the programs since so many Black veterans had less than high school education going into the war. There were options for those who did not want to or who were not able to attend college. Job placement programs and vocational training was part of the GI Bill but it was administered locally and Blacks faced much of the same local level discrimination faced by Black farmers and farm workers. Many Blacks were being put on a track that did not make for a bright financial future for their families while many Whites were being propped up into the middle class by the GI Bill. In 1946, it was shown that 92% of Black veterans were referred to service and unskilled jobs by the work counselors at Southern employment

centers while 86% of White veterans were referred to professional jobs. To make matters worse, Blacks were referred to those unskilled positions even if they had advanced skills and education. If Blacks refused the positions recommended to them, no matter how far below their skill levels, they could then be denied any unemployment insurance. Once again, Blacks were not in a very good situation, especially when compared to the favorable treatment provided to Whites (Onkst 1998).

As White families were assisted in moving into the newly rising suburbs away from the communities of color, Blacks were facing treatment similar to what had been seen a century before. Blacks were being put into and kept “in their place” through official policies and practices in the housing industry. The United States was growing horizontally in the form of many White families owning more and more homes many times in newly constructed neighborhoods where home values were robust and many times steadily increased (Gilbert and Eli 2000).

There were real estate agents who worked right along with policies of the government as well as developers to exclude Blacks from owning homes in these new areas. The practice of red-lining was used. Even when Blacks were eligible for assistance in home ownership through the programs related to the G.I. Bill along with lending through the VA and the FHA, they were barred from using such assistance due to rules excluding loans for areas in which they were eligible to live. Blacks were many times barred from living in the white neighborhoods where the loans could be used, much the same as was the practice prior to the war. Home ownership and higher education are two major factors in the building of wealth and the passing

of wealth between generations. Government policy tended to aid Whites and while denying similar similar assistance to many Blacks (Westley 1998).

On paper, any veteran who was a first-time homebuyer would have been eligible for the low-interest mortgages backed by the Veterans Administration (VA) and the FHA. In actuality, home ownership was more affordable than life as a tenant due to the levels of assistance available to new home owners. Unfortunately, Blacks were once again relegated to renting and many times excluded from ownership. Blacks were not able to find lenders will to give them the home loans even with the backing of the government. Another factor working against potential Black home owners was the fact that the loans were only allowed for single-family homes. Apartments and townhouses in urban areas of cities where there were many Black residents did not qualify (Fuchs 1990).

As was the case prior to the War, there were very few Black families getting homes with the assistance of the Federal government. In 1947 Ebony magazine conducted a survey in 13 cities in Mississippi that showed only two loans went to Blacks out of the 3229 in the those cities backed by the VA (Katznelson 2005). Whites were being assisted while Blacks were being overlooked. This practice devalued the military service of many Blacks.

Between the unequal implementation of housing policies before the War as parts of New Deal policies and the unequal housing policy implementation that followed with policies related to the GI Bill, white suburbs were being created and Blacks were systematically being excluded. By 1962, there had been over \$120 billion in home loans backed by the VA and FHA. Alarmingly, less than 2% of the

\$120 billion had gone to non-white home buyers. The only times Blacks and other non-whites were given the loans, they were in neighborhoods segregated by race (Quadagno 1994).

The Housing Boom and Suburbanization

Between 1930 and 1960, fewer than 1% of all mortgages granted in the United States went to Black homebuyers. De Jure discrimination was in place in the housing industry. The FHA Underwriting Manual included official bans home loans for houses in racially integrated neighborhoods. Even though many Blacks had moved north, they did not receive very welcoming receptions in their new cities. Local officials, bankers, real estate agents and even home developers actively worked to keep Blacks out of newly created suburban areas. Additionally, sometimes there were White mobs fighting to keep Blacks out of their neighborhoods with civil unrest and harassment. As was the case with housing decades before, restrictive covenants were included in home deeds. Those covenants meant homes could only be resold to Whites. In fact the National Association of Real Estate Boards back the process and advised realtors to be on guard against “a colored man of means” who thought his children “were entitled to live among whites” in some of their publications (Fuchs 1990).

The result of the persistent segregation Blacks faced in housing while Whites were assisted in purchasing homes resulted in negative impacts on the overall status of Black wealth. Blacks were left with many less buyers for their homes and their

homes would then not be able to appreciate in value like white homes would be able to during the same time period. Blacks were excluded from billions in assets that they could have been privilege to if there was equality in the housing market and equality in the implementation of policies. There was much more money being spent by Blacks on inferior housing when compared to Whites. Whites were building wealth in their homes that were appreciating in value and they were able to use more of their income for savings or other purposes when compared to Blacks who either were left to rent or live in undervalued and less marketable homes (Quadagno 1994).

In much the same way in which the NRA came to be known as the “Negro Removal Act,” the inequalities brought about with the implementation of what was supposed to be “urban renewal” through the Housing Act of 1954 was nicknamed, “Negro removal.” There were many Black neighborhoods that were destroyed and not replaced. Rental housing previously available to Blacks was not replaced, with less than 11,000 of the more than 400,000 homes razed being replaced in some fashion (Quadagno 1994). Many Blacks were left scrambling for options and they still faced racial discrimination in the housing market even if it had been outlawed in various ways through the law.

President Kennedy banned racial discrimination in federally owned housing through executive orders in 1962. His action was one in a line of legislation and legal decisions calling for ends to housing discrimination but not ending the practice. In fact, Kennedy’s executive order only covered less than 1% of all housing in the United States. Prior to his 1962 order, the Supreme Court had ruled against any laws banning Blacks from buying homes in White areas. That ruling was not as effective

as the court may have planned. In 1948 the Court then ruled against restrictive covenants in an effort to put some more force into their 1940 ruling. Even the FHA finally stopped backing loans on home deals with restrictive covenants. All of those actions along with Kennedy's order made for small changes and opened the door for fairness in housing but did not break down barriers in the way it would be expected when the details of the rulings and orders are examined at face value. All of the time spent fight for the rights of Blacks in housing was the same time where Whites were beginning to realizing unprecedented accumulations of wealth through home ownership. So, while many White Families were realizing the "American Dream," many Blacks were simply fighting to be allowed to even attempt to use their money to try buying a home (Fuchs 1990).

Civil Rights Victories and The Great Society

The historical 1963 March on Washington came about after President Kennedy had side-stepped seriously dealing with Civil Rights legislation by instead supporting the weaker option of a Constitutional amendment that would have simply outlawed poll taxes. It did end up passing as the 24th Amendment after Kennedy's death but it, alone, was not what was sought by the leaders and foot soldiers of the Civil Rights Movement. They wanted more and they made that point clear with civil protests and other actions in over 800 municipalities along with the march on the nation's capital in 1963 (Fuchs, 1990).

In 1964, the Civil Rights Act passed despite the filibusters of southern senators and was signed into law by President Johnson. Equal access to public accommodations was provided for with the act as was the federal government's ability to sue public facilities and local school districts in the interest of desegregation. The discriminatory actions of employers and labor unions detailed previously were now outlawed and the Equal Employment Opportunity Commission was created along with a strengthening of the Civil Rights Commission. Employers and labor unions were now supposed to provide equal opportunities for employment. If agencies were found to practice discriminatory policies, the federal government was now allowed to pull funds from that particular agency (Fuchs 1990). Changes were afoot but only time would tell if there would be serious changes to the persistent racial wealth gap. President Johnson followed up the Civil Rights Act with his public support for the Voting Rights Act in 1965 (Zinn 1980).

Despite the many positive changes that came from the victories in civil rights legislation in 1964 and 1965 Blacks still faced some resistance in the public as well as inside administrative agencies many times when the time came for real change with the help of the federal government. A number of federal agencies like the Federal Bureau of Investigations (FBI) made covert efforts to weaken or destroy various Civil Rights and Black power groups and movements. The FBI used their COINTELPRO counterintelligence program to take close to 300 actions against such Black groups in the time period between 1956 and 1971. They used wire taps, agent provocateurs, the planting of false information and rumors as well as murders in their efforts to

undermine movements that, at the time, were many times moving closer to pushing for economic empowerment now that de facto discrimination was falling (Zinn 1980).

Along with the Civil Rights Act, President Johnson used the Economic Opportunity Act of 1964 to create the Office of Economic Opportunity. This was all part of an effort to enact his “War on Poverty.” These efforts actually worked to bypass some of the elements of the welfare programs that were part of the New Deal and had underserved Blacks. These new programs reached out directly to poor communities instead of relying on delegation of power the local agencies that had injected so much racial discrimination into the implementation of those policies. In many cases, Blacks were hired by the Community Action Agencies (CAAs) that were used to ensure maximum participation of the poor people being served to implement the new policies. Despite the resistance of some public officials the CAAs were even able to deliver services to Black communities in the South. In some cases, Black community activist who gained experience through working at CAAs later became elected officials representing those communities (Quadagno 1994).

As time went by, it became evident that it was much easier to integrate Blacks into federal agencies through both civil service positions and appointments than it was to integrate them into union work. Even though Title VII of the Civil Rights Act specifically outlawed discrimination by labor unions in their admission of members, apprenticeships and in job referrals Blacks still faced heavy discrimination in the many trades with unions. In light of the continued discrimination faced by Blacks due to the delays in enforcement, an Ohio court ruled that the Department of Labor had to withdraw any federal contracts from any projects found have discriminated

against Blacks through the denial of equal opportunities employment and apprenticeships in 1967. As a result, after the ruling the AFL-CIO teamed with the Department of Labor to create a program designed to bring non-Whites into union-backed apprenticeships called “Outreach.” Even with all of those new efforts there were still only a little more than 5000 non-white apprentices in the program by 1969. This was one of many instances where there could have been much more progress than what actually occurred (Quadagno 1994).

In the time right after so many profound Civil Rights victories, there was the potential for the movement to continue pushing for more economic equality but it did not come about. There were the previously mentioned barriers put in place by the FBI and other along with the assassination of Dr. Martin Luther King, Jr. At the time of his death he was in the midst of organizing a poor people’s movement and march on Washington. Dr. King was moving into the fight for economic justice. The victories of the Civil Rights Movement would have meant even more to the efforts to eradicate the racial wealth gap if those movements for economic justice would have taken hold and gained popularity and support across racial boundaries. It did not happen and the racial wealth gap persists at the same or in some cases worse rates than it did in the 1960s.

One major accomplishment of the Civil Rights Movement that did go a long way in fighting back the advances of the racial wealth gap was its victory through legislation in stopping the federal government from ever again instituting or implementing policies with any intent of explicitly discriminating against Blacks. There may have been instances of covert racial discrimination since then but the overt

examples seen in the policies of the FHA, VA and other in the past have not returned. Of course that did not mean that Blacks were finished facing negative impacts of policies. There were times when policies may have even begun as looking like they would be beneficial to Blacks but ended up resulting in negative outcomes (Quadagno 1994).

President Johnson's Great Society social programs included his "War on Poverty" as a main element with affordable housing as the centerpiece of that war. The intent of the affordable housing programs seems to have had positive intentions for people who were already marginalized. Unfortunately, the outcomes and results ended up being very much below those intentions. Fearful of neighborhood integration, many southern members of Congress succeeded in defeating the president's proposals of rent subsidies enabling the poor to reside in non-poor neighborhoods. What resulted were housing programs just for the very poor, overlooking the working poor. If the working poor were given more assistance in housing they would be more likely to build family wealth, purchase homes and move up the socio-economic ladder.

Less than a week after the assassination of Dr. Martin Luther King, Jr. the Fair Housing Act of 1968 was passed and it was more comprehensive than other housing policies to that point. The act banned discrimination in home sales and rentals. It ended up covering over 80% of all housing in the United States. Unfortunately, even with this major victory of the Civil Rights Movement, redlining continued. Discrimination by real estate agents, banks and zoning boards faced almost no enforcement of anti-discrimination regulations. In fact, an investigation by the U.S.

Commission on Civil Rights uncovered instances where people who had sold substandard housing to Blacks and profited later from the foreclosures of those deteriorated properties had been working in collaboration with officials from the FHA (Lipsitz 1998).

The Department of Housing and Urban Development (HUD) was a new agency created through the Great Society policies of Lyndon Johnson. HUD ended up redlining urban neighborhood's in the ways similar to the redlining of past years with their setting of criteria for loan risk. This was yet another instance of a potential victory turning into a major hurdle for Blacks in their pursuit of the "American Dream" of homeownership. Many Blacks and other residents of urban neighborhoods ended up having their property values driven down and being made ineligible for many federally backed home loans. All of this was allowed to occur despite previous civil rights legislation since the Civil Rights Act of 1964 had exemptions from antidiscrimination laws for federal mortgage insurance programs (Lipsitz 1998).

Urban Development and Non-Development in the 1970s

Congress eliminated urban renewal programs and replaced them with community block grants which were more flexible since in 1970 the Uniform Relocation Assistance and Real Property Acquisition Act ordered local housing authorities to replace any low-income housing units that had been destroyed through urban renewal. Change was afoot but majority Black neighborhoods in urban areas

still continued losing 80% as many housing units as they were during the devastating times of the 1960s. In White neighborhoods, they saw housing losses occur at a much slower rate than even was the case for those neighborhoods in the 1950s. Black neighborhoods did not end up with the protections originally intended in the changes of policies related to urban renewal (Lipsitz 1998).

Blacks faced more than just losses of housing in urban neighborhoods moving into the 1970s, they had to deal with the growth of substandard housing. While many Whites were building family wealth in fairly new suburban neighborhoods in homes that would build value and be able to be passed to future generations, many Blacks were excluded from such opportunities. Some experienced home builders and lenders bowed out of providing housing in urban areas after some of the riots and civil unrest of the mid- late 1960s. To fill the void, the FHA found new developers. Those new developers ended up being dishonest and they built substandard housing units. When those substandard housing units were purchased the new owners could not keep up with all of the repairs needed to keep them up to code. This was not a very positive situation for poor home buyers trying to build even minimum levels of family wealth. When the families could not keep up their homes, those homes were taken over by the federal government (Quadagno 1994).

HUD ended up using redlining of urban Black neighborhoods yet again after a report in 1971 uncovered the housing scandal that resulted in the government owning so many substandard housing units. Once HUD shut the program down they turned to the redlining of the inner cities as way to keep the home-owners who were left from being able to easily sell their homes. As was the case before, the redlining also

made it nearly impossible for new home-buyers to get loans for home purchases in those areas. While the ground was being pulled from under Black residents in urban areas, many White homeowners were fighting integration in their neighborhoods. This further complicated any efforts of Black families to own homes and build family wealth (Quadagno 1994).

President Nixon accommodated the pressures from White home-owners by publically declaring that he would not push local governments to accept the construction of any federally subsidized housing. The local governments had the power to decide if and when they would allow public housing in their communities. There were times when members of some of those White communities took the law into their own hands by using scare tactics reminiscent of the Ku Klux Klan such as cross-burning on the lawns of the homes where Black families may have attempted to move into White neighborhoods. Between harassment and the complicity of local and federal officials, Blacks surely faced uphill battles in trying to find places to live in the 1970s. In 13 states there were measures taken to side-step fair housing laws and policies. In many cases those efforts were called “Property owners rights laws. Before Ronald Reagan became president in the 1980s, he successfully campaigned to become the governor of California in part by campaigning against fair housing laws in the state (Quadagno 1994). Working against fair housing policies that could have enabled many Blacks to rise up in terms of wealth had become politically acceptable and even beneficial.

Federal spending on housing was shifted from home ownership to rental subsidy by President Nixon in 1973 when he enacted a moratorium on all federally

subsidized housing programs. On the local level, instead of allowing the integration of neighborhoods, some towns ended up dismantling their public housing authorities. A few years later, by the mid-1970s, Whites and elderly people were the main recipients of most government subsidized housing. The 1970s saw a major shift in the ways in which the federal government assisted Americans in finding housing. Overall, Blacks were got the short end of the bargain. The shifts in the focus of the programs continued bolstering White home ownership and wealth accumulation while steering Blacks toward renting, which does nothing in assisting in the accumulation of wealth.

By 1978, ten years had passed since the implementation of the Fair Housing Act and the outlook for Blacks in the housing market was not very positive. A group named the National Committee Against Discrimination decided to test the fairness of housing policies. They sent Blacks and Whites to various areas to attempt renting or purchasing housing. They ended up finding that the Black testers with similar qualifications were 48% less likely than the Whites to purchase the housing and things were even worse when Blacks attempted renting. The results of the testing showed the two tiered system in place that was the reality of housing policy in the United States. There were many subsidies in place for development in White suburbs. In urban housing, where there were many Blacks, there was limited, segregated and underfunded housing (Fuchs 1990). These two tiers are very much in line with the limits on wealth accumulation related to the racial wealth gap.

The movement of Whites away from central cities into suburban area started to show ill effects on Black employment. This was especially the case in the 1970s

and beyond. Many jobs had moved right along with the White population out to the suburbs. As has been mentioned, many of those suburbs excluded Blacks and had the backing of the government in such discrimination. The jobs in the newly created suburbs were not easy to access for many Blacks who were still left in the inner cities. There was a lack of public transportation, and on top of that Blacks had no access to the informal social networks to suburban employment gained from living in those areas and participating in those communities. Black employment at businesses which relocated from central cities out to suburban areas fell by more than 24%. Federal jobs were also lost to the suburbs. Between 1966 and 1973 there was an increase of federal jobs by 26,558 but there was loss of 41,419 jobs in central cities (Johnson and Oliver 1991).

The Current Situation

The wealth gap along racial lines will not be disappearing any time soon. The obstacles facing Black families and the various forms of both active and passive assistance given to their White counterparts have allowed the gap to widen over the years in a generational manner, “it’s like a snowball-it gets bigger and bigger as it gets passed on and the interest gets compounded (Conley 1999).”

A result of all of the inequalities on up to the mid-1980s was a major racial gap in wealth and homeownership. By 1984, only 40% of Blacks owned homes while 70% of Whites owned homes. The Whites had been able to use those years of home ownership to build family wealth. The homes Blacks did own were worth only

\$30,000 on average while White homes were worth an average of \$52,000.

According to Mel Oliver and Thomas Shapiro, the generations of housing discrimination has resulted in at least \$82 Billion in lost potential home equity for the current generation of Black Americans. It is estimated that the next generation could lose over \$93 Billion in potential home equity (Oliver and Shapiro 1995).

Even though the SEC survey began in 1967, there would be some time before a robust amount of scholarly work analyzing the gaps in wealth between Blacks and Whites would develop. Black Wealth/White Wealth (Oliver and Shapiro 1995) could be considered one of the centerpieces of the scholarly recognition of the wealth gap as a real problem and how public policies fail to remedy the situation. Melvin Oliver and Thomas Shapiro analyzed private wealth rather than only income as many social scientist and journalists have done in the past and continue to do in their critiques and analyses of racial economic progress. The clear wealth gap highlights and exhibits the substantial and unrelenting reality of racial inequality in the United States.

What we see today in terms of racial inequality, especially in terms of economic measures is a “mixed legacy of racial progress” as coined by Oliver and Shapiro. Many Blacks continue to suffer the effects of the economic inequalities evident with the racial wealth gap. The wealth gap and racial inequality reach many aspects of life for Blacks in the United States. Educational deficiencies seem to doom many Blacks in terms of benefitting from the new technological advances in the global economy. There are so many aspects of racial inequality that can easily be traced to the racial gap in wealth. All of this is in a modern environment where the closing of gaps in income are constantly celebrated. The sad truth is that there is not

too much to celebrate in terms of the racial gap in income. What is even more sad is the shocking disparities seen when gaps in wealth between Blacks and Whites is analyzed (Oliver and Shapiro 1995).

The gap in wealth for Blacks versus Whites as groups remains wide regardless of significant strides by Blacks into the American middle class. Even when Blacks break into a new socioeconomic class or group, they are always somewhere at or near the bottom of said group. This is partly due to the generational effects of the wealth gap. In his 1999 book, Being Black and Living in the Red, Dalton Conley went beyond looking at private wealth in the form of net financial assets. He looked at the difference in accumulated family wealth for Blacks versus Whites. This view starts to look at the wealth gap as a cycle tied together with the country's legacy of racism (Conley 1999; APSA Task Force 2004).

Conley makes it clear that many of the achievement gaps and other so-called "deficiencies" related to race are actually due to gaps in wealth. Many other gaps do not persist when the wealth gap is diminished in comparisons of Black and White families. Additionally, Conley shows how negatively the generational effects of the wealth gap can be on potential personal achievement and quality of life. What may be shocking to some who see family wealth as solely the province of private action or inaction is how the government, through many public policies has been implicit in the perpetuation of the various gaps in wealth. In making all of these points clear, Conley was still able to not overlook the impacts of a myriad of other factors contributing to the wealth gap (Conley 1999).

“Equity inequity” is a phrase aptly used by Dalton Conley has used to describe the situation we see with the racial wealth gap in the United States. In many regards the gap has actually grown in many ways in the decades since those first inquiries into the Black-White wealth divide back in the late 1960s during to the time of the end of the string of major civil rights victories. As mentioned above, profound racial disparities in many areas of life cannot simply be explained away by simple disparities in income. The problems are much deeper and the more extreme gap show in wealth is a much better indicator. This is especially true when all of the uses of wealth are recognized along with all of disadvantages associated with a lack of wealth or the existence of debt. Clearly any economic disparities and others along racial lines can not only be explained by income differences alone. That is, while African-Americans do earn less than whites, asset gaps remain large even when we compare black and white families at the same income levels. For instance, at the lower end of the economic spectrum (incomes less than \$15,000 per year), the median African-American family has a net worth of zero; while the equivalent white family's net worth is \$10,000 (Conley 2001).

What is now known as the racial wealth gap can easily be connected to most of the disparities seen in socioeconomic achievement along racial lines that, in this era following the civil rights era, have not only persisted but also worsened. The significance of the racial wealth gap becomes very clear in studies when wealth and income are equalized. In comparisons of Black and White families with similar net wealth and income, the Black children were actually more likely to graduate from high school. Additionally, the Black children were also just as likely as their White

counterparts to graduate from college. As far as the adults are concerned; when Blacks and Whites were raised in families with the same economic resources in the form of family wealth and income, they did not have any major gaps in education, wages or home-ownership as adults. The Blacks were just as likely as the Whites to have full-time employment and generally what would be thought of as productive and successful lives. Unfortunately, many Blacks do not have assets similar to Whites in their income brackets. This is one of the reasons why there is a good amount of reliance on public assistance amongst poor Blacks. They simply do not have the assets that help level the playing field (Conley 2001).

Similar to Dalton Conley's approach, this project takes care not to deny the multitude of other possible reasons for both disparities in political participation as well as disparities in support for policies in the Black interest. There is no denying the existence of the gap in wealth. Now, it is clear that this gap in wealth does impact political participation. The wealth gap that impacts politics exists and persists for a number of reasons. Some of the reasons are clear and others are more concealed.

Multiple factors account for the persisting racial gap in wealth. Blacks did not fully share in the wealth-creating real estate boom that swelled the size and the wealth of the White middle class due to de facto racism and biased public policies. The road to the middle class has been full of bumps and pitfalls for Blacks. In addition to history, de facto segregation and starting at a disadvantage, Black people have had to overcome government policies of the past that encouraged White home ownership and discriminated against Blacks. Today, Blacks are less likely to own homes and fewer families have a legacy of home ownership or wealth. When Blacks do own

homes, especially in predominately Black neighborhoods, those homes are more likely to be of lesser values than similar homes owned by Whites in predominately White areas. Clearly, past injustices persist into the present and inhibit the creation and perpetuation of Black wealth and economic power (Shapiro 2003).

In the United States, the majority of the population holds the greatest portion of their wealth in their homes and property. This fact makes it important to recognize how the government has been complicit in the limitation of Black home ownership and thus, was active in limiting the creation of wealth in the Black community as a whole. Government limitations and the obvious undervaluing of homes in Black communities within the real estate industry serve as a historical grounding showing how outside factors have contributed to limitations in the building of Black wealth (Shapiro 2003).

There are a number of historic, cultural and systematic reasons for the lack of wealth in the Black community. Other groups, especially Whites, have had higher levels of education, employment, and income. These factors when combined with the realities that led White families to be able to retain much of their wealth throughout generations in the ownership and transfer of property account greatly for the ever persistent gap in wealth (Shapiro 2001).

Many of the Blacks currently considered middle class are the first members of their families to break into that particular socioeconomic classification. Most middle class Black families cannot lean on a family history of the maintenance and building of wealth, evident in many White families. The symptoms of historical injustices are still very evident today. It is a lot harder for Black communities to demand as much

responsiveness of politicians as their white neighbors if they are so new to the middle class and Whites have been entrenched in it for generations. This difference also makes organizing on the citizen and community level a little more of a daunting task because of the lack of history compared to whites as well as the gaps in wealth (Shapiro 2001).

As Thomas Shapiro has said, there is a hidden cost in being Black in the United States. This is a reality, despite overt racial prejudice lessening in the years since the civil rights movement. Despite new opportunities and higher incomes compared to past generations, racial inequality is still a substantial reality. This inequality is very clearly evidenced in wealth and/or the accumulation of assets. That would include savings accounts, investments, inheritance, and especially home equity (Shapiro 2001; Wilson 1996).

In his book, The Hidden Cost of Being African American, Thomas Shapiro shows how gaps in wealth combined with the ever-present specter of racism and especially racial discrimination in housing have very negative effects on Black life in America. These negative effects can be reflected in the reversal of strides accomplished in the realms of education and employment. Basically, he shows that there is clearly a cycle of wealth and influence for Whites. This translates into similar access not being available to Blacks (Shapiro 2001; Wilson 1996).

Wealth brings certain stability to families. It is clear there are lines marked by race in reference to this stability. Certain levels of consumption can be maintained regardless of fluctuations in income. Wealth, not income, says a lot more about the well-being and potential for a family's future. Black families and individuals are

impacted greatly in times of nationwide or personal economic stress. This can be explained greatly by the wealth gap. These same families do not have the same security of political influence as white families with greater wealth in communities of great wealth (Wolff 2002).

Families can be empowered by wealth to financially elevate each successive generation. Families move to “better” neighborhoods and the children attend higher achieving schools, leading to better jobs than past generations. The lack of wealth leads families to stay in communities and settings that limit their potential and ability to rise in economic class despite effort. “White privilege” shows up in studies of the benefits of wealth. Shapiro shows how wealth imparts privilege and limits the opportunities of those without wealth. The legacy of White wealth and the lack of Black wealth help to perpetuate social injustices. The next logical assumption would be that wealth enables and supports increased political participation (Shapiro 2003).

The racial wealth gap is perhaps the timeliest example of racial inequality today in a world where economic downturns are the main concern of so many people. The central fights of the Civil Rights Movement for access to the political system and businesses seem to be part of the past and there is now a Black man in the most powerful position in the land. Even with such fights seen as being old news and Black people enjoying successes never before seen in American history, the racial wealth gap serves as a clear reminder of how hard it can be to escape the past. The racial inequalities that were the norm and practice of the past have been passed down through the generations even in cases where that may not have been the main intention. The advantages of wealth can be seen as being passed from generation to

generation. Unfortunately, the disadvantages related to a lack of wealth are also passed along through the generations. This reality makes it hard for individuals to escape the station left to them through their group membership and family.

Equality of treatment and opportunity is some many times touted as the goal and the way of United State of America. Unfortunately, the reality in the United States is one of persistent inequality of opportunity, especially when the realities of wealth are factored into the equation. Significant gains have been made in terms of elected officials, income gaps, and some other negative differences along racial lines. The problem is that some of those advances could be so much better if there were not a gap in wealth. The racial wealth gap allows many of the racial inequalities debated daily to persist.

Chapter 3: Black and White Political Participation in Relation to Wealth

Wealth and Participation

The racial wealth gap has been persistent and profound and continues to be as part of the economic, social and political landscape of the United States. If the racial wealth gap is profound in so many ways, how does it influence or is it connected to Black political participation? There continue to be many ways for citizens and groups of citizens to express themselves politically. These forms of expressions take the forms of many types of political participation such as voting, protesting, letter writing, boycotts, lawsuits, campaign contributions and other means of political expression. Of the many forms of political participation, contributing to campaigns remains a vital form of political participation in great part because of the increasing and continued needs candidates continue to have for funding to back efforts to gain electoral support. Even as technology changes the ways in which voters and supporters are contacted, campaign funds are still very vital to the success of political campaigns. Even if citizens are moving from the more traditional “duty-based” model of citizenship which centered on the basic voting and paying taxes to the more modern “engaged” model of citizenship, campaigns continue to need funding to survive and succeed in winning electoral support (Dalton 2008).

If citizens are increasingly taking a more active role in politics when they are involved, funding is more important now than ever before. Engaged citizens demand more interactions with the candidates and the campaigns. There is a need to keep up with the ever-expanding news cycle as well as provide activities for the constituents. The days of citizenship simply consisting of paying taxes, taking out the trash and “voting the ticket” are quickly disappearing (Dalton 2008).

Even with all of the changes in ideas of good citizenship, financially contributing to political campaigns is still the most costly of the many forms of political participation. Due to the cost, campaign contributions are the form of political participation most closely related to the wealth of communities. In an analysis of the connections between the racial wealth gap political participation, especially political participation in the Black community, it is useful to look at campaign contributions made by the members of selected communities. Candidates and their campaign organizations seek financial contributions in the interest of having the means to best gain the votes needed to win or maintain elected offices. Of all forms of political expression, individual contributions to campaigns connect most closely to household and family wealth/assets in communities. Since families seem to use their income to survive, and their family wealth to thrive, it would make sense that contributing to campaigns would take the form of something done in the interest of thriving.

Campaign Contributions

Candidates on all levels of government vying for elected office rely on campaign contributions as a key to their electoral success. Clearly, political campaigns cost money and those costs have been rising over the years (Rosenthal 1998). On the Congressional level (House and Senate), contributions to campaigns can be very substantial yet greatly vary in origin. Varying amounts of money come

from each community (which can be defined as a zip code area) and congressional district for federal campaigns including those for congressional and presidential races.

Campaigns for the House of Representatives usually require levels of exposure and advertising that put their costs and needs for funding at higher levels than many of the local and state level offices used many times as stepping stones for Congressional offices. Congresspersons are locally elected officials who are called upon to make national and even internationally relevant decisions. The candidates, their campaign staffs and even the constituents realize the need for money is vital. Since this need is vital, there needs to be focus on fundraising as a major part of campaigns if they expect to succeed, “Candidates facing difficulty raising money from institutional sources will have a more difficult time winning elections (Theilman & Wilhite 1991).” As much as there have been regulations implemented through campaign finance reform, trade-offs and promises have remained a political reality.

Due to rising cost of campaigns, finances and fundraising has become more of a focus of the efforts in political campaigns. This increased need for campaign finances has led these candidates to work harder in their pursuit of financial support, “Whatever the increase in campaign expenditures, campaign fundraising is on the rise (Rosenthal 1998).” The increase of interest groups and political action committees has also provided more outlets seeking political contributions.

Political Action Committees (PACs) and political campaigns financially survive in great part from individual contributions. Overall, there is a profound need for contributions and this makes the tracking of individual contributions back to the local level a useful endeavor when seeking answers and detail on the importance of

finance and political expression. Robert Singh made a very valuable point on Congressional elections in his book on Black politics at the congressional level, The Congressional Black Caucus; “Congressional elections are about more than winning votes. They are also about acquiring the necessary resources—especially money—to wage competitive campaigns and the strategic decisions made by potential financial contributors to donate monies to campaign funds (1998).” District and zip code (community) level contributions along with information about the racial, economic and political landscape of a selected area can paint a clear picture of the connections between the racial wealth gap and political participation. It is important to also take into account the strategy that may be involved in said political contributions.

Maryland as a Case Study

Finding a state with diversity in terms of racial composition along with diversity in levels of family wealth across racial lines, provides a good starting point when looking to conduct analysis of the connections between the racial wealth gap and political participation in the form of campaign contributions. The state of Maryland stands out as a good place to start in such an analysis. Maryland is a state that is big enough and diverse enough to have multiple areas to analyze as well as compare. The state is also small enough in terms of numbers of Congressional districts for effective qualitative analysis.

The state of Maryland is a small state geographically with high levels of population density. There are 23 counties along with the city of Baltimore in

Maryland. Primary elections in the state are closed. That means that voters have to identify their political party affiliation when they register to vote.

Around 57% of the voters in the state of Maryland are registered as Democrats. This is an advantage for the democrats but it is not nearly the number imagined by many in the state. There are many areas in the state, especially those with clear Black majorities where it is very hard to find political offices with serious Republican contenders for office. That is not to discount Republican successes in the state. In 2002, the state did elect Republican Robert Ehrlich as Governor along with Michael Steele as Lieutenant Governor (First Black Statewide Elected Official). In spite of Ehrlich's success and the existence of Republicans in State office as well as in a number of Congressional seats, many still believe there are two or three times as many Democrats than Republicans even though that is not the case and the ratios are much closer.

Baltimore is the biggest city in Maryland and it is heavily Democratic. It is also one of the cities with the highest percentage of Blacks in its population in the United States. Additionally, about 35 miles south down there is Washington, DC, the nation's capital. Washington is also one of the cities with one of the highest Black populations in the nation. Washington is not part of Maryland but many of its suburbs in Maryland are populated heavily by Black residents. What that means is there is a corridor of urban and suburban Black communities along I-95 in that Baltimore-Washington corridor.

There is diversity in the Black communities in terms of lifestyle (urban, suburban, etc...) and income brackets along the Baltimore-Washington corridor. This

diversity in the Black community along with the overall residential diversity of the entire state in terms of urban, suburban, exurban and rural areas with households in the Black community and the White majority falling into many income brackets, wealth categories and living situations all make Maryland a good state to use as a case study in looking at the wealth gap and politics. There are few states, if any, that can boast such diversity amongst residents to provide cases for such a study. The inferences drawn from Maryland can tell a lot about the state of family wealth in terms of the racial wealth gap and how it can impact political participation.

Over a quarter of Maryland's population of close to 5.6 million residents identifies as Black. The states percentage of Black population ranks it sixth amongst the states in that category. There is a large enough population of Blacks in the state to do some clear analysis of that population amongst itself as well as in comparison to other groups within the state, especially the White majority population.

How Marylanders View Campaign Contributions

In 2004 The Center for American Politics and Citizenship at The University of Maryland and The Schaefer Center for Public Policy at The University of Baltimore published a study that exhibited how Maryland resident felt about campaign contributions into perspective which is especially useful when attempting to evaluate just why citizens may contribute to campaigns if they have the means. The study was entitled "Marylanders' Opinions of Campaign Finance and Campaign Finance Reform." The study was conducted in the form of a survey of Maryland residents on

their views about campaign finance and campaign finance reform. Using a representative sample of Marylanders at the end of the year in 2002, the survey was able to validate the idea that citizens see campaign contributions as a tool of political expression and participation (CAPC 2004).

The majority of Marylanders surveyed felt that campaign contributions influence the policies supported by state elected officials. Sixty-five percent believed that contributions influence elected officials a great deal, and 27 percent believed that contributions have a moderate influence on elected officials. Only 4 percent felt that contributions did not have much influence, and 2 percent felt that contributions have no influence at all (CAPC 2004). Contributors to political campaigns are more likely to believe that contributions influence elected officials than are non-contributors.

Over a period of four years in Maryland, 85% of Marylanders who had contributed to political campaigns reported to by those conducting the CAPC study that they felt like they had a great deal or at least a moderate amount of influence on their elected officials. On the other end of the spectrum, during that same time period, only 71% of Marylanders who had not contributed to political campaigns felt they had any influence over elected officials. In Maryland, and probably in other places, people who contribute to campaigns feel more politically empowered than those who do not contribute. In fact, when respondents were asked if contributors to campaigns have greater access to elected officials 1/3 of them strongly agreed and 1/2 of them at least agreed that contributors having greater access to elected officials than non-contributors. Marylanders seem to view campaign contributions as a very viable and useful form of political expression and political participation.

Contributions Wealth Gaps

The racial wealth gap ensures that, on average, Blacks in the United States face economic disadvantages. The importance of finance to political campaign brings into question possible connections between the racial wealth gap and campaign contributions. If so many citizens place meaning and importance in campaign contributions as a form of political influence, how are communities without abundant economic resources supposed to compete for political influence? How might all of this impact the political voice of Black communities where access to wealth is much lower on average than that of similar White communities?

There has been little economic equality along racial lines throughout the history of the United States. That has also been the case in terms of racial equality in political influence. Even though there will probably not be all out equality across the board any time soon, the United States has a history of citizens and groups achieving increasingly levels of equality over time. Higher and higher degrees of political equality can be what currently marginalized groups can aspire to and achieve. Do gaps in wealth deny some the right to fully participate in the electoral process (Williams 2004)?

The intricacies of political campaigns on all levels, especially in terms of campaign finance have been the subjects of much debate throughout the history of politics in the United States. These issues have come under particular scrutiny in

more recent years. As the cost of successful political campaign rises, especially for federal offices grows, funding becomes more and more important to electoral success in the United States (Rosenthal 1998).

When the reality of the ever-heightening focus on finance in politics is brought into focus in relation to the racial wealth gap, questions naturally arise about the representation of interest of members of groups that may be at the low end of the income and wealth spectrum. It is very true that money could be a very important, if not the most important weapon at the disposal of political candidates as they seek to gain or retain political office. The ever-widening and persistent gap in wealth faced by Blacks in the United States surely must have some sort of influence on campaign fundraising in the Black community. Blacks do not have the same level of disposable economic resources when compared to their White counterparts. There has been much research dedicated to voting habits in the Black community, little or at least much less attention has been given to money in relation to politics (Smith 2001).

In an age of this ever-increasing importance of funding in relation to electoral success, a candidate perceiving an inability in fundraising at levels for perceived success may be discouraged from running in the first place. Those potential candidates who may feel discouraged from running may not even attempt to run in that election or any other. Money and the raising of money have seemed to become more important to not just the ultimate success of campaigns but also the launch of campaigns. In the past more people may have at least attempted running for office and their ideas would get into the public debate whereas now many people with

political aspirations are deterred from getting into the fray by the barriers in place related to the increased importance of funds (Stokes 2004).

Race and Funding in Campaigns

In Congressional races, money matters most for challengers. They lack the name recognition and record of the incumbents. The incumbents need money for electoral success but it is not crucial in the way it can be for those looking to take a seat being defended by an incumbent. The established donor networks incumbents possess are invaluable in seeking re-election and maintaining electoral success and influence.

Charles Henry conducted a study of Black candidates running in elections between 1972 and 1980. This was the first time in history since the days of reconstruction that there were significant numbers of Blacks in office and running for office in many parts of the nation, including the South. Henry found that Black incumbents depended more on political action committees (PACs) for campaign contributions than their White counterparts. Much of the money from PACs came from ones related to labor unions. Sometimes those same unions may not have even had significant members in the Black communities those incumbents were representing. He concluded that Black candidates, especially incumbents, received the bulk of their funding from “individuals and institutions external to the Black community.” All these years later, the well founded observations by Henry almost thirty years ago, unfortunately, still ring very true. There is a dearth of excess capital

in communities of color and many times politicians representing or vying to represent Black constituencies must look outside the individuals they seek to represent for significant portions of their campaign contributions (Smith 2001).

A couple of decades ago, Robert Smith looked into the campaign finances of Black congressional candidates running for office between 1972 and 1986. Evidence from this innovative study opens the door for analysis into connections between the racial wealth gap and the fundraising for the election of Black candidates. Smith examined data on campaign finance for Black incumbents and Black challengers. Additionally, he looked at Black challengers to white incumbents in majority Black districts and Black candidates in open races in majority Black districts (Smith 2001).

Black incumbents face a financial gap as do Black challengers when compared on average to Whites running for election and re-election, but the Black incumbents still have a good chance of success in re-election. The financial gap is substantial for Black incumbents but they still have the advantages of incumbency on their side in their election campaigns. Also, Black incumbents usually face Black challengers, so they do not have to deal with the full impact of the financial gap. All of this leads to the question of just where Blacks can be successful in getting elected when the financial gap is taken into account. White candidates seem to have much more of a range of districts and offices they can potentially run for thanks to access to funds. Blacks seemingly have to pick and choose races in which their potential deficiencies in fund-raising amongst their core supporter will not hinder them in a debilitating way financially (Smith 2001).

Black candidates are may sometimes end up feeling hesitant about running against Whites in many races due to the potential financial gaps that could be faced in fund-raising. This is still true even in an era where we see so many Blacks winning offices, even with Barack Obama rising to the high office of President of the United States. Races on more local levels House races with strategically drawn Congressional Districts are more traditional than the changed race seem in Obama's run for President. Many Congressional races are conducted in districts drawn for racial representation or party advantage leading the districts to be more polarized along party and racial lines. Such polarization makes for a different landscape than that faced by modern Black candidates running for statewide or nationwide election (Silva 2007).

Black challengers facing White incumbents have been outspent four to one. As was even the case with President Obama's earlier efforts to gain seats in Congress, Black challengers are more dependent on loans to launch political campaigns than Whites. Political financing is a mirror image of personal family finance when looked at through the lens of race. In Smith's study, 5% of the finances for White campaigns came from loans where 34% of the financing for Black campaigns came from loans. That is a stark difference. Blacks have a much higher chance of going into debt while seeking political office. This is reflective of the debt incurred by average Black citizens when they reach for "more." There is much more debt incurred by Black families compared to White families when they decide to purchase homes or pay for higher education since there is so much less wealth passed from generation to generation (Smith 2001; Lui 2007).

The Budgets of Black Incumbents

The conclusion reached by Smith that the main consequence of the racial gap in campaign finance is simply decreases in the budgets of Black incumbents rather than the actual votes won in the election can be viewed a is a little differently today. Black politics is changing. As is the evidence with President Obama, Black candidates are looking at offices never thought of in the minds of Blacks in politics in the past. Even in cases where candidates and incumbents are still in traditional majority-minority districts they have begun to get to those positions using paths different from earlier generations and many times the House seat is not looked at as the end of the line or the highest position possible. Therefore, it can be detrimental to the ambition of these new Black political aspirants that the wealth gap still exists, persists and shows up in politics to this day (Smith 2009).

When Blacks in politics look to get elected and especially when they start to look forward to offices higher than the House of Representatives or if those House seats are not in traditional majority-minority districts they encounter more and more of the need for campaign contributions (Smith 2009). The great majority of the time when Black congressional campaigns are analyzed the Black candidates in question will be rather left leaning Democrats. Since Black candidates typically do not have a strong base of financial support rooted with the Black voters whom they wish to represent they are left to seek financial support outside of their communities as mentioned above. Being mostly liberal democrats does not help these Black

politicians when they seek financial support from sources that will probably be more White and conservative than the candidates themselves. Smith notes that it is “very difficult to raise large sums from wealthy White individuals and corporations, which tend to be disproportionately conservative (Smith 2001).”

As far as electoral success goes in the traditionally drawn districts when running for offices “traditionally” held by Blacks since the end of the push for civil rights, incumbency is the greatest indicator for electoral success. Questions arise in terms of influence over policy and the ambitions of politicians in an ever-changing environment. Exactly who do elected officials representing Black constituencies as well as all elected officials owe allegiances to for their electoral victories? The influence of money on their decisions can come into question and may lead to worry in Black communities that generally have not much to contribute to campaigns in terms of money. If funding is coming from all sorts of sources besides the voters, where will the officials’ loyalties lie when making policy decisions, especially in light of the fact of House elections every two years? Perhaps, an even more poignant question before these more detailed questions would pertain to what exactly it would take for the Black candidates to fund successful campaigns in the first place (King-Meadows 2009).

Blacks have many more destinations for their money than their White counterparts may have. While Whites may see it very important and be able to express themselves politically through campaign contributions, Blacks may have other places for whatever money they may have. Blacks who want to express

themselves politically with funds may find themselves giving money to family and friends in need rather than official charities or political campaigns (Conley 1999).

It seems that Blacks would most probably be more apt to give more to political campaigns if placed in the same economic circumstances as Whites. The wealth gap leads to many circumstances in which Blacks either do not have the funds to contribute to political campaigns or end up using the funds for other political and community oriented purposes. Even as more and more Black families rise into the middle class, the wealth gap prevents increases of political contribution dollars in line with what happened as the White middle class expanded.

Thanks to some of the campaign finance reforms of the past decade, Black candidates are left in a tougher position than before when it comes to raising money for their campaigns. While the White candidates can generally look to individuals for contributions if there would be any limitation placed on funds coming from other sources, Blacks who are connected to Black communities seem to begin with a limited possible base of support. One of the provisions of campaign finance that came about in 2002 soft money contributions was banned and the landscape of campaign finance was changed. Spencer Overton feels that soft money had been used in the past to allow corporations and other large donors to, “circumvent individual spending limits and make huge political contributions to political parties, political action committees, or the parties’ campaign spending committees (2004).” Blacks no longer can rely on soft money in the same way they may have in the past if their campaigns came up short in terms of individual contributions.

Methodology and Insights

The analysis in the Maryland case study is rather qualitative in nature. Each one of the congressional districts, the congresspersons and their campaign finances are analyzed in efforts to track campaign funds. Because it pays to understand the geography and culture of each one of the districts it is more useful to go forward with the qualitative approach. Within each district elements related to wealth accumulation and the racial wealth gap like home ownership rates, income, employment, home values and other factors are examined. Racial and political gerrymandering is taken into account when looking at the districts and their neighboring districts. On the zip code level, racial composition of such areas is possible. Also, the zip code level analysis allows for tracking of where candidates did and did not gather their campaign contributions. Maps along with some of the top contributing zip codes accompany the district-by-district analyses to paint a more vivid picture of the situation in each district. Following the analyses of the situations in the Congressional districts, there are reflections and conclusions.

The Maryland case study uses qualitative analyses of the situations within each district along with comparisons to other districts as well as the state as a whole. The qualitative approach allows for the inclusion of information from many angles of observation including first-hand observations made in visits to each district and specific zip codes and neighborhoods. Included with each narrative is a map of the district as well as a listing of the top four zip codes in terms of individual

contributions to the particular campaign. Throughout those narratives plenty of information is used to paint the picture of each district.

The result of these analyses shows that the disparities of the racial wealth gap have profound impacts on political contributions coming from communities of color. In the next chapter the details found in this chapter will be combined with information on public policies in the Black interest to come to further conclusions about the representation of Black interest and connections to wealth. The campaign finance information comes from 2004 campaign finance cycle which raised money for campaigns for the 109th Congress which was in session from 2005-2006.

1st District: Representative Wayne T. Gilchrest (Rep.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

21601 (EASTON, MD)	\$59,600
21620 (CHESTERTOWN, MD)	\$24,980
21146 (Severna Park, MD)	\$9,200
21842 (Ocean City, MD)	\$8,700

Representative Wayne T. Gilchrest was first elected to represent the First District in 1990 and served in that position until the most recent Congress. Gilchrest was defeated in the Republican Primary in 2008. This district has a total population of 713,133 and is rural by standards in Maryland. This district encompasses all of the counties on the Eastern Shore of Maryland (Caroline, Dorchester, Kent, Queen Anne's, Talbot, Worcester and Wicomico) along with another less urban county in the eastern part of the state (Cecil) and parts of some other counties in central Maryland (Anne Arundel, Baltimore County, and Harford). The Eastern Shore is one

of the most rural areas of the state with small towns throughout the area. The geography and population of this district is very telling in terms of Black political voice and influence.

There is not a large Black population in Maryland's first district. Of course this assessment is by Maryland's standards. Maryland has a much higher Black population than many other states, with well over a quarter of the states population being Black as some specific areas within the state being majority Black by great margins. In the first district, the Black population is 11.4% (81,404) and its White population is 84.3% (601,280). So, with the combination of the conservative political tendencies of the voters and the extremely low number of Blacks in the district as well as the top contributing zip codes, it is not easy to get any clear picture of the impact of Black political participation at the congressional election level. In future surveys of this nature, Black political participation could better be measured in these parts of the state on the state politics level or local politics level.

The 21601 area code is the zip code which contributed the most to Gilchrest in during the 2004 election cycle. That zip code is in the city of Easton, Maryland. Easton is a small city, but it has a relatively good size compared to other cities on the Eastern Shore. In this zip code the indicators for wealth show that this majority white area (78.84% White) has decent levels of wealth. The median household and family incomes were right around the income averages for the United States, home values averaged 18% more than the national median home value, an impressive 65.3% of the homes are owner occupied and 27.8% of the residents hold bachelor's degrees or higher.

The statistics on home values and income are close to the national averages due to the balancing effect of the people at the low end of the spectrum. 8.5% of the households are below the poverty level while 14.2% of households had annual incomes of 100,000 or more. So, there is a vast middle in this zip code. Lastly, the indicator that shows the power of wealth and household assets shows up in the percentage of campaign contributions to federal campaigns which were over \$1000. A whopping 90.71% of the contributions were at that level. If ever there was an example of people using wealth to thrive, this would be it. Wealth allows citizens here in Easton political participation through money.

The top level contributions significantly raised the average per capita contribution to federal campaigns all the way up to \$16.15. That is almost three times the average for the state of Maryland and four times the national average. People in Easton seem to have the wealth to make political contributions and see value in making financial contributions to Federal campaigns. It will become clear how Mr. Gilchrest responds to such a political voice the future chapter on public policy support in Congress.

There is not much purpose into delving into the details of every zip code example in this district since there is such a small Black population and during the 2004 cycle, Gilchrest who was a Republican incumbent was victorious. His main target for votes as well as contributions would not be the small Black population within the district. The majority of the population in this district simply is not reflective of the major population centers of the state of Maryland where incomes are higher and home values are higher. Additionally in the main population center in

Maryland, the Central Maryland (Baltimore-D.C. corridor) offered much more ethnic and racial diversity.

Even with all of the realities of the politics and population in the State of Maryland, it can be interesting to look at another area where Gilcrest was able to garner significant financial support was in the 21620 zip code which is Chestertown, Maryland. Chestertown is home to drastic disparities in the living conditions of population. There are a number of people in the small town and surrounding area with impressive levels of wealth due to the fact that the area is a rather popular retirement destination for retirees from the Philadelphia, Baltimore and Washington metropolitan areas. The overwhelming majority of those people as well as others who could be considered the “haves” such as professors and administrators at Washington College in Chestertown are White. There is Black population in the town making up 17.8% of the total population but many of them live in the poorest parts of the town that still is segregated to a great degree.

Average household incomes in this area are actually below the national average by 2.5%. Much of this is due to the fact that some of the people with the extraordinary levels of wealth are the retirees who now have very fixed income and some of the poorer people in the area (Black and White) are on the very low end of spectrum. The people with the top incomes are directly balanced with those below the poverty line. 11.8% of households are below the poverty line and 11.6% of the households have incomes of \$100,000 or more. The average home value in this area in 2000 was 125,600 with 66.3% of the homes being owner occupied and 26% of the residents having bachelor’s degrees or higher. Even with the extremes on either end

of the economic spectrum in Chestertown, average per capita contributions to federal campaigns still come out to \$9.19. That is over twice the national per capita average. The people in Chestertown who have the wealth to make contributions to political campaigns as well as similar people throughout the First District do not have much competition for attention when they do decide to contribute. There are significant contributions coming out of this district going into federal campaigns but they are coming from a small amount of people in light of the entire population of the district. Over 78% of the contributions made by people in this zip code were \$1000 or more. In fact, in the top four zip codes in the first district were 86.33% White with an average contribution of \$1000 or more standing at 79.47%. This district shows examples of the level of money coming out of overwhelmingly White areas with high levels of homeownership and wealth. When compared to “blacker” areas the differences are clear.

2nd District: Representative C.A. Dutch Ruppertsberger (D.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

21030 (Cockeysville, MD)	\$47,099
21093 (Lutherville Timonium, MD)	\$39,325
21210 (Baltimore, MD)	\$19,250
21208 (Pikesville, MD)	\$17,000

Dutch Ruppertsberger, former Baltimore County Executive, represents the Second Congressional District which has a total population of 684,637. He was first elected in 2002, so his election in 2004 was just his second one for this Congressional position. Ruppertsberger’s district encompasses an area of suburban Baltimore. The

counties included in this district are parts of a number of counties in the middle class suburbs in parts of Anne Arundel County, Baltimore City, Baltimore County and Harford County. One glance at this district on a map shows that it is not in one continuous geographic area. This district is political gerrymandered. To a certain degree, this district is the result what could be described as racial gerrymandering in adjacent areas. This district encompasses a small part of Baltimore City as well as portions of other counties that are not very heavily populated by Blacks.

Even with the apparent intension of drawing this district in geographically separated manner with heavily Black areas right next to portions of the district, there is still a significant Black population within the district. In fact, 31.6% (216,513) of the population is Black and 61.4% (420,570) is White. This district can be expected to at least have some Black influence in the electorate due to such a ratio.

The top zip code (21030) in the district encompasses an area called Cockeyville where college students and others interested in renting versus owning, so only 42.6% of the homes are owner-occupied and 57.4% of the housing units are rentals. The zip code has a good rate of only 4.1% of the housing units as vacant compared to 9% nationally. This is one of the districts that show the increase flow of money and higher incomes as well as home values in central Maryland compared to the Eastern Shore area discussed above in the narrative presented above on District 1.

An analysis of some of the top contributing zip codes in the 2nd district goes a long way in confirming suspicions detailed earlier in the chapter about race, wealth and levels of campaign contributions. Cockeyville has a white majority measuring 80.76% of the population. The average per capita contribution is almost four times

the national average. Additionally, 90.27% of the individual contributions to federal campaigns in this district where 21.7% of the households have incomes of \$100,000 are over \$1000.

Lutherville-Timonium (21093-second highest in district) is more of a traditional suburban enclave as is evidenced with the higher percentage of owner-occupied homes (82.6%) and household incomes coming in at 64% more than the national average. This zip code is almost 90% White and 29.6% of the households have incomes over \$100,000. In this affluent White district federal campaigns collected 86.2% of there contributions at the \$1000+ level. It is true that the per capita average contribution in this zip code was only \$12.92 but that is still three times the national average and over twice the state average.

Education attainment is a factor that is passed along through the generation in much the same way wealth is passed. In this district full of white residents with highly valued homes and decent incomes, all of the top four contributing zip codes have over a 90% rate of high school graduates and an average of 56% of the residents having bachelor's degrees or better. In fact, one of the top zip codes, 21210, in Baltimore city which is in the area of Johns Hopkins, College of Notre Dame, Loyola College and other institutions has an average of 74.4% of is residents having a bachelor's degree or better. Wealth in the form of homes assets and education makes it possible for individuals to have the opportunity to contribute if they are so inclined. In this highly educated zip code the average per capita contribution is \$28.55. This occurrence appears in the analysis of some of the other zip codes and Congressional Districts below.

3rd District: Representative Ben Cardin (Dem.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

21208 (Pikesville, MD)	\$43,010
21117 (Owings Mills, MD)	\$23,000
21202 (Baltimore, MD)	\$20,750
21201 (Baltimore, MD)	\$18,550

Ben Cardin is now the junior Democrat Senator for the state of Maryland but for many years he was a member of the House of Representatives. During the 2004 election cycle he was running to retain his position into the 109th Congress. Cardin was originally elected to the House of Representatives from this district in 1986. The Fourth District is clearly gerrymandered. It has no semblance of geographic continuity. The district consists of areas within four municipalities: Anne Arundel County, Baltimore City, Baltimore County and Howard County. There is consistency in the population of the district even if there is no geographic continuity connected to the geographic boundaries of the district.

There is a clear white majority in the third district. The total population of the district is 698,237 with 73.1% (510,124) of that population being White. Only 18.1% (126,310) of the population in the district is Black. Of course in some parts of the United States 18.1% would be a strong Black population since the national Black population is between 12.5% and 13.5%, but in Maryland the Black population is 28% and as has and will be mentioned, a number of Congressional districts have Black populations much higher than 18.1%.

Overall, the third district is a economically strong suburban district. It is not at the top in terms of affluence in Maryland but its majority White population does have a statistics higher than the national average in key wealth related categories as adult educational attainment, owner occupied housing, house values and families below the poverty line. The district's average of adults with Bachelor's degrees or higher is 12.1% higher than the national average and even 5.1% higher than the state average. In terms of housing, the district is right in line with the rest of the state in terms of owner occupied units at 67.6% and the median home values are actually \$11,400 lower than the average state median value of \$146,000.

Individuals in the top four zip codes gave an average of \$15.10 per capita to federal campaigns during that 2004 cycle. The top zip codes in this district have varying levels of economic and racial polarization. Some of these details are hard to glean unless one gets on the ground and sees where and how the residents live.

The top contributing zip code, 21208 which is classified as Pikesville, has some very "high-end" neighborhoods which are generally majority White. There are parts of the district which are much closer to the city line and the community known as Milford Mill which are more heavily populated by Blacks and have lower home values and general indicators of wealth compared to the rest of the zip code. In fact, this seems to be the story for this district and the locations of residents throughout.

The population breakdown in the third highest contributing zip code in this district shows major effects of gentrification and just how different the lives of people in the center of a major city can be in terms of home ownership and economics. 21202 is located in the middle of the downtown area of the city and includes parts of

the upscale areas on the Baltimore Harbor. This zip code is actually majority Black but once on the ground it is clear that many of the Black residents reside in public housing and other poorer areas within the zip code. The small majority white areas making up most of their 23% of the zip codes population seem to reside in many of the condominiums downtown, homes in the Little Italy area and a few other neighborhoods that seem worlds apart from some of the poorer neighborhoods in the zip code.

35% of the households in the zip code are below the poverty line. That is a very high percentage and when compared to the 4% of households with annual incomes of \$100,000 or more it is clear that there is a poor Black majority and a more affluent White minority population in this zip code. Much of the same evaluations can be made of the adjacent zip code of 21201, with the fourth highest level of contributions to Ben Cardin's campaign which has an even higher rate of families below the poverty line at 38%. This other zip code is also downtown encompassing communities of poverty and some wealthy communities but it does not have part of its area at the harbor or in the center of the business district. Both of these zip codes have higher levels of rental units than most other districts due to their locations in areas of high poverty as well as those downtown locations where many affluent young professionals and students rent instead of owning.

This story of White "haves" and Black "have-nots" continues in the zip code adjacent to both 21201 and 21202 on their northern side, 21218. This is another majority Black zip code with affluent white neighborhoods that seem to contain the households with the capability of wealth to contribute to campaigns. The poverty and

lack of wealth in the Black areas in these three districts makes it rather clear that the influence of the 18.1% of this district that is Black and concentrated in these few inner city districts is not very meaningful or significant. These poorer Black communities have been places in areas where the wealth of the smaller White communities can drown out their political voice in terms of campaign contributions. In fact, in terms of Congressional district politics, those Black residents are also overwhelmed in terms of numbers compared to that strong White majority in the district.

Later, when Cardin decided to run for statewide office, he was able to raised impressive amounts of money able to dwarf the amounts of campaign funds raised by his primary contender, Kweisi Mfume. Mfume was the former head of the NAACP and Congressional Representative from Maryland's 7th District. The primary battle between Cardin and the Black contender, Mfume, for Senator Paul Sarbanes' vacant U.S. Senate seat in the 2006 election was hotly contested. Even though Mfume was constantly able to stay in the race in terms of supposed electoral support according to polling data, Cardin was able out raise him in the area of campaign finance by significant amounts. Throughout that primary campaign, Mfume's fundraising numbers never lined up with his impressive showings in the polls. It is possible to draw lines between that gap and the base of Mfume's support being the Black community.

Cardin was able to parlay the connections he had built over his years in the House into financial and electoral support leading first to a primary victory over a serious Black contender and later in the general election versus Black Republican and

current Chair of the RNC, Michael Steele. Connections and support in the white community can lead to significant individual campaign contributions from that community. Cardin's career is an example of how the leadership within a party will many times side with the candidate who shows the most potential for raising money. Too many times, Black candidates can succeed in majority Black districts simply on votes and less on the financial of support the individuals in their communities. When the need for financial support does arise in those majority-minority districts, many times those candidates have to piece together campaign funds from sources inside and outside their districts opposed to Cardin who was able to rely on the wealthy within his district for support as an offset to the poor and less wealthy in the district.

4th District: Representative Albert R. Wynn (Dem.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

20854 (Potomac, MD)	\$17,250
20721 (Bowie, MD)	\$15,250
22033 (Fairfax, VA)	\$15,000
20772 (Upper Marlboro, MD)	\$11,250

Albert Wynn resigned from Congress in May of 2008 and registered as a lobbyist after being defeated by Donna Edwards in a February 2008 primary. Wynn was first elected to office in 1992 and served as the Representative of the Fourth District until 2008. Mr. Wynn is one of two Black Representatives in this list of eight for the state of Maryland. His district was drawn in the interest of serving majority Black populations in the Maryland suburbs directly outside of Washington, D.C. Even though this district is a bit stretched geographically, it is continuous and only

encompasses areas in two counties (Montgomery County and Prince George's County).

The Fourth District has a total population of 678,636 with a Black majority of 56% (380,296) and White population of 28.3% (192,104). This district had been redrawn with more of a White population after the 2000 census and redistricting. In the past, the majority Black districts in the state, this one and the 7th had been drawn with the intent of including more Black neighborhoods which meant these districts used to be much "Blacker." Many of the majority Black neighborhoods that were lost from the 4th district were some of the poorer and less wealthy majority Black neighborhoods that show up as part of Black minorities in some of the adjacent districts.

Even though there are similarities between this district and the 7th District which is inside Baltimore and stretches into its suburbs as well as other majority Black districts around the nation, the 4th is an economically unique area. The 4th district is home to what could be considered the highest concentration of highly educated and affluent Black citizens in the nations. The affluence brought about in this suburban area right outside of the Nation's Capital is well documented. Most of the district is inside of Prince George's County, the most affluent majority Black municipality in the nation.

In this district 86.3% of the adults have at least their High School education and 32.7% of them have at least a Bachelor's degree. Both of those educational indicators are higher than the averages for the state and definitely for the nation. The same cannot be said for owner occupied housing. In an example of how the racial

wealth gap may be at work in this majority district this district has 62.9% of home listed as owner occupied opposed to 67.7% for the rest of the state and 66.2% for the rest of the nation. Yes there are other majority white districts with owner occupied housing at levels lower than the state and national averages but there is one district that serves as the best comparison to the 4th district. The 8th district is adjacent to the 4th district and it could be considered the majority white version of the 4th.

The 8th district, with its white majority and white representative, has almost three and half times more Whites than Blacks in the district while in the 4th there are less than twice as many Blacks than whites. The 4th may be majority Black but it is not the type of overwhelming majority seen in the 8th. The two districts serve communities where careers and employers are similar. Both districts are dominated by government employees and people who work for companies with government contracts. The racial wealth gap is shown clearly in analysis of these two districts. The amounts of money raised and spent by campaigns in the two districts show tales of two different worlds of campaigns and campaign finance despite basically being in the same area of the state.

Wynn was able to raise only 49% of his campaign's total \$749,441 from individual contributors. On the other hand, Van Hollen was able to raise an impressive 70% of his \$1,702,772 in campaign funds from individuals. In the 5th district, just south of Wynn's 4th district, Steny Hoyer was able to raise almost \$1.9 million. Things are clearly different in terms of Black fund raising and White fundraising in this part of the state. All four of Van Hollen's top four contributing zip codes were from within his district. In fact, of the top ten contributing zip codes to

Wynn's campaign none of them are fully within the 4th district. Four of them are fully within the richer 8th district. Two of them are shared with the 5th. There is one that is shared with the 5th and the 8th. It is clear that Wynn ended up going into communities outside of his district for financial backing. Even though his district had a Black majority, when it came time to raise money, this Black incumbent had to get much of that financial support from majority white zip codes.

The wealthy and white 8th district set the stage for a much more expensive campaign. As mentioned above, Van Hollen's campaign raised over twice as much money than Wynn and they were so close to one another geographically. There really are two different worlds of campaign finance in those two districts. Wynn was reaching outside of his district for individual contributions and over half of his campaign contributions came from non-individual donors. As has been mentioned is the case many times with Black candidates and with campaign finance in majority Black districts, much of the finance comes from PACs and other non-individual sources. Black communities simply do not have the same levels of wealth to express themselves politically with money in the same way their white counterparts are able to do in the form of campaign contributions. Two of the top four contributing zip codes to Wynn's campaign had white majorities of over 70%. The demographics of the locations from which Wynn raised his funds surely differ from the actual demographics of the district he represents.

5th District: Representative Steny H. Hoyer (D.)

Top Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:
20650 (LEONARDTOWN, MD) \$28,200

20653 (Lexington Park, MD)	\$23,050
20659 (MECHANICSVILLE, MD)	\$17,900
20815 (Chevy Chase, MD)	\$16,450

After the string of electoral success enjoyed by Democrats on the national level in the 2006 mid-term elections Representative Steny Hoyer won election in the party over John Murtha for the position of House Majority Leader. Hoyer was first elected as the Representative of the Fifth District in 1981. The Fifth District can be considered the district serving the region known as Southern Maryland. This has traditionally been a more rural district but it has seen steady increases in population and suburbanization as the D.C. Metropolitan area has grown into Southern Maryland in recent decades.

This district, for the most part, is geographically continuous. This is more than can be said for so many of the gerrymandered districts in Central Maryland. The total population of the district is a rather large, in comparison to some of the others, 742,381. The Black population in this area made up of a number of rural, suburban and exurban areas is a surprising 35% (259,770) and the White population is 55.4% (411,084).

Hoyer's district actually shares some zip codes with Albert Wynn's 4th district. Even though they are in adjacent districts, Hoyer's district is not similar to the 4th in the way the 4th and 8th are similar. The 4th and the 8th encompass most of the inner-ring of Maryland suburbs for D.C. The bulk of the 5th district is that Southern Maryland area mentioned above. Once on the ground in this district, it becomes clear that this is not an urban-centered district, but there is a significant

Black population that resides in various parts of the district, be them suburban, exurban or rural.

The 5th district has high levels of owner occupied homes at 74.8% versus 67.7% for the rest of the state and 66.2% for the nation. The median home value in the district is 8% higher than the rest of the state and 24% higher than the rest of the nation. This might not be as high as some of the other districts in the state but it is rather impressive considering just how much of the district is in rather rural areas. Families have a means of building wealth in this district with such high levels of owner occupied housing.

Hoyer has been able to build up state and later national-level support now evident in his current nationally recognized position in Congressional leadership. He was able to do a good job of raising money for his campaigns while building a reputation within the party. Hoyer was able to raise almost \$1.9million while his next closest challenger raised less than \$150,000. As has been the case every year, for many years, Hoyer has been able to raise and spend extremely high levels of funds despite not needing most of those funds for re-election as then incumbent in his district. Only \$314,000 of all of that money was used for expenses that could be related to this re-election campaign (fundraising, administration and campaign expenses). The rest of the money was used for contributions to other political efforts (\$667,000) and other un-coded expenses (\$871,700). Even if the un-coded expenses were disregarded, there would still be a lot of money that had gone into contributions to other efforts. It is clear that Steny Hoyer is a benefit to his party in terms of fundraising. He is located in a district where he does not need a lot of money to win

re-election as is the case with most incumbents including Albert Wynn. The difference between White and Black Candidates, even when they are in adjacent districts is the amount of money they are able to raise.

6th District: Representative Roscoe G. Bartlett (R.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

21742 (Hagerstown, MD) \$17,900
20854 (Potomac, MD) \$15,750
21701 (Frederick, MD) \$8,850
21740 (Hagerstown, MD) \$7,850

Roscoe G. Bartlett is one of two Republicans who were in Maryland's Congressional delegation for the 109th Congress and part of this 2004 election cycle. He still represents the Sixth Congressional District and has been in this position since first being elected in 1992. This district could be considered the most geographically continuous district of all of those in Maryland with its boundaries encompassing the entire Western Maryland region of the state as well as some other areas considered to be northwestern suburbs and exurbs of Baltimore. This district is large geographically thanks to the low levels of population density in this part of the state.

Five entire counties are represented in this district (Allegany, Carroll, Frederick, Garrett and Washington) as well as parts of three other counties (Baltimore County, Harford and Montgomery) with the district having a total population of 722,855. The district is sparsely populated by Blacks and its 6% (43,521) Black population is the lowest of all of the Congressional districts in the state. The overwhelming majority of the district's residents are White at 89.1% (643,895).

Western Maryland and most of the 6th district are just as different from the diverse population center of the state as the Eastern Shore and the majority of the 1st District detailed above. In both of those districts, less than the state average of their populations have Bachelor's degree educations or better. In the 6th district 23.7% of adults have that level of education versus 31.4% for the state. This is truly a rural and mountainous area of the state. The culture and surely the politics of this area are different from the rest of the state, with the exception of the conservative Eastern Shore. To this point, it is has been clear that Maryland is state with a high level of Black residents. The 6th district does not have such a distinction with that 6% Black population detailed above. There really is not a good comparison for Black political participation in the state for the areas in this district. The top zip codes contributing to Barlett's campaign that are within the district all have under 11% Black populations with the top zip code (21742, Hagerstown) having less than 4% of the population listed as Black.

In some other states, the Republican areas could end up being areas with more wealthy residents. In Maryland, a heavily Democrat state, the Republican Party is only successful in Congressional races in those two parts of the state with the least amounts of diversity and more rural lifestyles and economies. Black representation on the Congressional level in those areas would be much harder to expect simply due to the small portions of the population occupied by Blacks regardless of levels of Black wealth. But, if Blacks in those areas did have wealth in the way some Whites in majority Black areas of the state have wealth that they use to give major

contributions to federal campaigns, there could be a change in the Black political voice of those areas like this 6th district.

7th District: Representative Elijah E. Cummings (Dem.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

21201 (Baltimore, MD) \$16,950

21042 (Ellicott City, MD) \$16,502

21208 (Pikesville, MD) \$12,700

21212 (Baltimore, MD) \$11,500

Elijah Cummings, one of two Black Congresspersons from a majority-minority district, is one of the more visible members of Congress. He is a former Chairman of the Congressional Black Caucus and has seen prominence in a number of hearings on Capital Hill ranging from drugs in sports to reactions to Hurricane Katrina. Despite encompassing areas in parts of Baltimore City, Baltimore County and Howard County the district is rather continuous geographically. In the past, the seventh district was more obviously racially gerrymandered. After the redistricting following the 2000 Census, the district took on more of the White population when it was redrawn to include suburbs of Baltimore such as Ellicott City, Columbia, North Laurel and even some very western parts of Howard County.

The total population of the district is 662,660 with a Black majority of 58.1% (385,260) being concentrated in the densely populated portions of district in Baltimore City and inner ring suburbs in Baltimore County such as Woodlawn and Lochearn. The district does now, since the redistricting mentioned earlier, have a significant White population of 34.5% (228,607).

Elijah Cummings relied more on contributions from PACs (52%) than individual contributions (47%) to raise his total of \$810,195. This is similar to what

has been mentioned in the literature and referred to earlier about the nature of fundraising in majority-minority districts. Black candidates and others representing these districts usually end up needing to rely on PACs and other forms of “non-individual” campaign contributions to fund their campaigns. This was also the case with Albert Wynn’s situation in his 4th district campaign.

Much like Wynn’s district, Cummings district has significant portions of the district that include White suburban areas. In fact, the average percentage of Whites in the top four zip codes in terms of individual contributions to Cummings campaign come from areas of the district with significant White populations is 60.30%. Cummings has been able to build up a strong base of electoral support in with the Black majority in the district that has been consistently behind him in each one of his elections. On top of that base of electoral support, he has also been able to gain economic support in many areas of the district regardless of race in addition to getting electoral support in those areas as well. This has been an impressive feat in light of how much the demographics of the district changed as a result of redistricting.

Of the elections in which Cummings has been involved since 2000 clear through to 2008, 2004 was the elections with the most competition in terms of fundraising by the competition. Yes, there was not much competition since his next closest competitor was Antonio Salazar only raised \$110,447. Despite the disparity in fundraising, Cummings did fend off this attack by a competitor of color. After that victory, Cummings ran unopposed in the 2006 election and his competitor in the 2008 election only was able to raise \$23,703 after he ended up raising almost \$1million.

Cummings has been able to parlay his success in this district and his leadership in the Congressional Black Caucus and other positions on Capital Hill into a very strong incumbency, despite the slim margin of the Black majority in his district. The original intention of “whitening” both this district and the 4th district seemed to be expanding Black influence. This intent was successful to a certain degree. Black leadership was maintained and in some of the adjacent districts mentioned earlier, the portions of the populations that are Black were boosted. While this may have not resulted in more Black representatives, if there was no loss in Black representatives it could be a success. But the amount of influence held by the Blacks in adjacent districts represented by Whites can be questioned due to the low levels of individual contributions Black households are able to muster in any of the Congressional districts.

The 7th district is a prime example of just how low the levels of wealth can be in a majority Black district. The 4th district is in an area of unprecedented Black affluence in that Washington, D.C. suburb. On the other hand, the 7th is an area including some of the least wealthy and least affluent Blacks in the State of Maryland. That big portion of the population is mixed in with some very affluent Blacks and Whites in certain parts and pockets of the district but the areas of the district at the low end of the spectrum are such a big part of the district that the averages for the wealth indicators in the district are not only below the Maryland statistics but also below U.S. averages.

In the 7th district the educational indicators show that a good portion of the population has brought down the averages for the entire district. There are

predominantly Black areas like West Baltimore (21215- 81% Black) where less than 70% of the adults have graduated from high school and less than 16% of the adults have a Bachelor's degree. It is true that 21215 is an example of one of the poorest and most crime-infested inner-city areas of the district but it is still part of the district and has many potential voters. On the other hand in one of the more affluent areas of the district, Ellicott City (21042) the Howard County suburb where there are overwhelming White majorities (82.36%) and their amounts of contributions to the Cummings campaign and federal campaigns on a whole are very impressive along with the levels of education. 21042 has 95% of adults who have graduated from high school and over 61% of the people have Bachelor's degrees or higher. These two examples show how different the populations of the district can be in terms of these indicators and other factors.

In 21215 (West Baltimore) where per capita contributions to federal campaigns came to the lowly sum of \$1.29 only 52% of the homes were owner occupied and the home values were only 58% of the national average. 22.8% of the households in 21215 were below the poverty line and only 5.7% of the households in the district had annual incomes above \$100,000. In the 21042 zip code (Ellicott City) where per capita contributions to federal campaigns came to \$10.48, an overwhelming 89% of homes were owner-occupied. Additionally the homes in that zip code were 221% of the national average for home values. 46.2% of the zip code's households had annual incomes of \$100,000 or more and only 2.1% of the households were below the poverty line. This is simply the tale of two different worlds within a common Congressional district. Admittedly, there are also zip codes

in the middle of the road in terms of wealth indicators within this district that are both majority Black and majority White. But, even in those cases of areas being considered “middle class” the predominantly Black areas still fall well below the majority white areas in terms of indicators of wealth. For example, the area in which I have the most knowledge, 21207, the Black suburban Baltimore County area in which I grew up the indicators are better than the West Baltimore example above but nothing close to the Ellicott City example. Owner occupied homes are 61% of the homes and median home values are 80% of the national average. In terms of education, 80.4% of the adults are high school graduates and 18.6% of the adults have Bachelor’s degrees or higher. Elijah Cummings has many challenges in representing this district and he has a fine line to walk with responding to the demands and needs of some parts of the population who are the minority in its electorate yet the most prominent contributors to the campaign. He also has to deal with many part of the Black majority in the district’s electorate who may have the votes but low levels to no chances of contributing to his campaigns.

8th District: Representative Chris Van Hollen (D.)

Top Four Contributing Zip Codes (Individual Contribution Totals) 2004 Election Cycle:

20815 (Chevy Chase, MD)	\$247,735
20854 (Potomac, MD)	\$126,140
20814 (Bethesda, MD)	\$105,350
20817 (Bethesda, MD)	\$105,215

Maryland’s most affluent district is its eighth which is represented by Chris Van Hollen who was originally elected in 2002. 2004 was his second election to this post and he still holds the seat. After the widespread Democratic victories in the 2006

midterm election Van Hollen rose to become the fifth highest ranking Democratic member of House with his selection for the position of Chairman of the Democratic Campaign Committee. The impressive fundraising he has been able to maintain in this district surely, made him an attractive candidate to organize national campaign efforts.

The eighth district is, for the most part, geographically continuous with a small strip stretching into Prince George's County. This district is clearly made up of northwestern suburban and exurban areas directly outside of Washington, D.C. Much of what makes the district so affluent is that proximity to the nation's capital with many residents working in high-paying professional careers. The majority of the 695,304 residents are White 59.6% (414,170) with only 17.3% (120,082) of the residents being Black. This is the most diverse district in the state of Maryland in terms of population other than Whites and Blacks. In fact, the district has 12.3% (85,247) of its populations listed as Asian.

In addition to this district being the most affluent it is very interesting just how homogeneous the populations of its top contributing zip codes. For example in the top zip code (20815 Chevy Chase, MD) the Black population is only 3.53% and in the second highest (20854 Potomac, MD) the Black population is almost non-existent at 0.77%. Even though 17.3% of the district's population is Black, that level of diversity is not the case in many of the most affluent zip codes in the district from where the highest levels of campaign contributions come. This is one of the most affluent Congressional districts in the nation.

The median value of homes in the district as a whole are almost twice the national average and over one and a half the state's average. Even with all of this affluence in this district there are still lower than expected levels of owner-occupied housing units, 65.3%. On the ground it is apparent that this statistic is due to this district's proximity to the nation's capital and its transient population. Many highly paid and highly educated (88.4% of adults are high school graduates and 53.7% of adults have Bachelor's degrees or better) professionals choose to live in this district but they also choose to rent instead of owning due to the lack of long term guarantees for some of their jobs or their recent arrivals to the area. Even with such number, Van Hollen has the potential of many contributors with deep pockets and high levels of wealth inside of his district.

As was mentioned earlier, Van Hollen was able to raise 70% of his \$1,183,832 in campaign funds through individual contributions. In this affluent district, only 4.2% of households fall below the poverty line. The "haves," of which there are many in this district, use their wealth as a tool for political representation in the form of those campaign contributions. Of the top four contributing zip codes, an average of 80.25% of the residents are White and an average of only 3.78% of the residents are Black. The "haves" are clearly overwhelmingly White. The story of campaign finance found in this district goes a long way in illustrating the way in which household that have wealth do use it in the form of campaign contributions in the interest of political participation and expression.

Conclusions

Instead of solely focusing on the reasons why individuals have contributed to political campaigns it is also important to do what was done above, and look at the reasons why some may not have participated through campaign contributions. The racial wealth gap puts many Blacks at a disadvantage when it comes to campaign contributions. It is important to ask, "...why people do not take part in politics. ...they can't; they don't want to; or because nobody asked (Dalton 2008)." The main one of those reasons that could relate directly to the racial wealth gap is "they can't."

Even in the districts with Black representatives and higher Black populations, high levels of campaign contributions came from outside of the districts. In many cases those large contributions came from majority White zip codes. There is obviously an effort to connect policy makers with citizens who have enough wealth to contribute substantially to political campaigns. The campaigns are seeking ways to procure funds and those with money seem to be looking for ways to connect with and perhaps influence elected officials.

White candidates, in many cases, have easier times raising campaign funds amongst their constituents. The majority of the "White districts" analyzed in the study above had higher indicators of family/household wealth than the Black ones did. Many of the conclusions found in each narrative along with the comparisons of the districts, ended up with expected results. Even though the results were expected, the analysis was needed and bolstered many claims about the influence of wealth and/or lack of wealth on political participation in the form of campaign contributions. On average, per capita contributions were much higher in the highest contributing

majority White zip codes in comparison to the highest contributing majority Black zip codes.

Chapter 4: Public Policy Decisions, Federal Expenditures and the Continuation of the Racial Wealth Gap

This chapter seeks to examine the current state of affairs in terms of public policies and expenditures in relation to the racial wealth gap. In previous chapters the origins and the importance of the racial wealth gap to Black political expression have been explored. In this chapter, the importance of federal funds and programs to local communities is uncovered. Along with that, current day policies which could benefit the Black community's push to overcome the racial wealth gap are explored and examined. The use of information grades and information from the NAACP Legislative Report Card makes connections between the issues and the interests of the Black community.

Wealth, Participation and Public Policy

Wealth is sometimes overlooked as a tool to be used in the representation of Black political interests. Many times this is due to the simple lack of individual and family wealth in the Black community exhibited in the racial wealth gap. When the gaps between Blacks and Whites are uncovered, it comes out to be an imposing proposition to attempt utilizing funding as a form of expression in such an underfunded community.

As stated in earlier chapters, wealth is very influential and important to political participation, especially in the case of campaign contributions. Family wealth is paramount in perpetuating White interests and many times, in limiting Black interests. After all, Dalton Conley, through his interpretation of Williams Julius Wilson's arguments, has made it clear that the civil rights victories of the

1960s opened many doors by suppressing overt racism but also pushed socioeconomic disparities to the forefront of racial inequality:

...the civil rights victories from the 1960s led to a situation in which overt racial oppression is largely a thing of the past (equality of opportunity), but in which the socioeconomic (read: class) differences between Blacks and Whites disadvantage African Americans relative to their white counterparts in terms of their chances for success in life (Conley 1999).

White communities and the promotion of White interests benefit from the wealth found in many White families. White Privilege eases the process of gaining access and influencing the policy process for members of the White community. Groups working to maintain and perpetuate various elements of White dominance and White interests may have an easier time gaining access to political and economic resources than many Blacks may have. In many cases, there are efforts to maintain White Privilege that may not have such an outcome as a stated mission but such maintenance ends up as the outcome. This can be greatly attributed to advantages related to the racial wealth gap (Wise 2007).

American public policy has played a major role in shaping and perpetuating White Privilege. As has been mentioned earlier, the boom in White wealth through home ownership was underwritten by the federal government through various public policies throughout the 20th Century. In many cases Blacks were marginalized and excluded from those booms in wealth and homeownership (Avila and Rose 2009). If public policy was so important in the perpetuation and expansion of the gap in wealth through lending assistance to many Whites and marginalizing many Blacks, it is clear that public policy could be very important to working for policies that could work in

the positive interest of Blacks. It could be important to the many interests of Blacks to work on influencing public policy through all means available, especially through political participation in the form of campaign contributions.

Political participation in any form on any level is usually in the interest of the actions of government. People get involved to work for change or to maintain the status quo with which they are satisfied. Sidney Verba makes these intentions clear, “Political participation refers to those activities by private citizens that are or less directly aimed at influencing the selection of government personnel and/or the actions they take (Verba 1987).” The political participation detailed in the previous chapter was in the interest of such influence. In this chapter the public policies supported by the elected officials discussed in the previous chapter with special connection to Black interests are analyzed.

Constituents and Local Concerns

Citizens who are politically active, especially those who reach into their pockets and contribute to political campaigns have wants, needs and desires for themselves and their local areas. In many cases they participate politically with the genuine interest of what they think would be best for their neighborhoods, districts, counties and states. Localized thinking and intentions are the prime basis for the need for explorations into the dynamics of campaign contributions on the county level. People want to see their federal tax dollars at work. Most people would prefer to see this work being done in their local community. They do not want to have to wait until they see money being spent somewhere else in the country. Members of the

Black community who make contributions and lend support to candidates many times want to see results for their fellow Black people. After all, “African American public opinion and electoral behavior reflect the continuing importance, and indeed the dominance, of racial identity (Frymer 1999).”

Sometimes it is easier to sell public policies to the Black community when the elected leaders doing that selling look like the people in the community. “Black residents evaluate the quality of their neighborhoods, police services, and their schools more favorably when they are represented by Blacks (Marschall and Ruhil 2007).” When it comes to local level leadership, the symbolism of Black leadership has positive effects many times. In fact, the public policies produced by Black leadership on the local level has also been shown to be perceived as being more responsive to the community’s needs and also has dramatic effects on approval ratings (Marschall and Ruhil 2007). This is something that Congressional leaders representing Black populations in places like Maryland have to contend with when they are selling themselves and their policy decisions to their constituents. They sometimes have to contend with perceptions that they should deliver policies with the Black interest in mind. Many times it is overlooked that their position in Congress puts them in much more of a minority position than some Blacks on a city council or other local level of government in many cases.

As was mentioned in the previous chapter, Americans of all races are have become more “engaged” citizens. Today, citizens fall much more into the engaged role on the local level, “Because local government is by definition smaller and closer to the people, citizen involvement in this arena extends beyond traditional activism

into activities like attending meetings, contacting officials and circulating petitions (Dalton 2008).” Citizens take somewhat different roles when interacting with national government many times, “in national politics, citizens are forced to play the roles of ‘ideologues, pawns, or even watchdogs. In local government, citizens can be more proactively involved in developing political goals and plotting particular strategies (Andolina 2008).” Even with all of this being taken into account, citizens still have influence over policy decisions and Congresspersons still make decisions with interest in campaign contributions and re-election in mind.

Local Level Finances and Connections to Federal Funds

On the local level where electoral decisions as well as individual decisions to contribute to political campaigns federal funds are very important. Local agencies depend on the allocation of funds from the federal level. This dependence on federal money from so many people and agencies on the state and local level, give Congress great leverage because of their allocation powers. The budgets of most local agencies are made up of at least ten percent of federal funding. Many of the policies most connected to the racial wealth gap like housing, education and employment all have at least some connections between federal expenditures and local level agencies (Abney & Lauth 1986).

Money, which goes to these local agencies, cannot be reallocated by local or state officials; “Federal money must be spent for the purposes provided in the congressional authorization (Abney and Lauth 1986).” This leverage translates into power for the members of Congress:

The public, judging from public opinion polls, trust Congress no more than the presidency, but members of Congress still see themselves in a protective role. Their major weapon is the “power of the purse”—the fact that as the Constitution states, ‘No money shall be drawn from the treasury, but in consequence of Appropriations made by law (Caiden and Wilavsky 2001).’

Those in government see the federal budget as a very useful and powerful tool and they are in control of this tool. People see this power of the purse as a power they may be able to tap into by having a candidate win and owe them for their financial support. This reality only adds more incentive for providing elected officials with campaign contributions.

Even with contributions as low as two hundred dollars, contributors may want to see some sort of results for their contributions. Even if they only expect representation and success from their candidate, they want results. PACs, parties and candidates hold with them, powers to make money work. They can make contributions that end up making differences. This perception is magnified in the eyes of constituents and contributors, “Regardless of the size of the contribution, people have certain ideals and expectations when they contribute to a candidate (Theilman and Wilhite 1991).”

There is no doubt that candidates need and want contributions to their campaigns. Candidates do have to limit how much or how hard they work for contributions. There are limitations on how much they can do in return for contributions:

The candidates’ desires for contributions is well defined; contributions are used to finance campaign expenditures. Their demand for funds is not unlimited because each contribution carries with it an IOU and the cost in time and effort spent raising that money (Theilman and Wilhite 1991).

In the area of pork there are definite limitations to the payback a representative can offer to a contributor or a contributing county. There is only so much a public official can do for campaign contributors. Each politician has different limitations. Their seniority, committee membership and standing in their respective party can all contribute to how much pork they can bring back to their area.

As has been mentioned earlier, recognizing the existence of the racial wealth gap leads to questions within the realm of politics and policy. In particular, questions arise about how political participation that has been effected by the wealth impacts the public policies that benefit or effect communities of color. Ultimately, political participation of any form is done with the expectation of bringing about some sort of change. The change people seek when they participate politically in the form of voting, campaign contributions and so many other types of participation in between usually takes the form of some sort of public policy.

Directing Funds to Communities

Elected officials have the power to direct funds into specific communities through projects and expenditures. The federal allocations, which Members of Congress “bring back” and direct to their districts is called “pork” by many. The act of using federal expenditures for the benefits of ones’ home area is, pork barreling. This is an age-old practice. Congresspersons and other representatives at various levels of government have long used budgeting powers to satisfy their constituencies.

Some people may wonder if pork is still a prominent part of today's political landscape. After all, there have been major efforts to reform federal allocations and campaign finance. Could pork survive such reforms and inquiries? Actually, pork is still important to political success:

Why does pork survive in an era of tight fiscal limits? For the same reason it always has. Additionally, the Republican Leadership was often reluctant to control the details of spending as long as the totals were met, and were aware of their need to gather votes where they could and to maintain the momentum of the appropriations process (Caiden and Wildavsky 2001).

Politicians see pork as a useful tool in gaining and maintaining the support of their constituents. The appropriations process is definitely a strong tool in the gathering of support amongst constituents.

Many who make the contributions to campaigns see them as investments. These investments may be for influence or pork. People who put money into the electoral system, many times, would be expected to look for returns on their investments. Even interest groups get in on the investment game, "...interest groups compete for political favors by contributing to candidates, and candidates spend the money to affect voter decisions (Hinich & Munger 1994)." In addition to using campaign contributions directly to affect voter decisions, federal expenditures can be another tool in the battle for the support of voters in other matters. If a candidate is able to have a well-funded and well-publicized campaign, it is only helped with concrete examples of the work of the representative. Communities respond well to development and spending in their areas. Blacks usually are able to clearly recognize

when allocations are benefiting their communities; due to their geographical and cultural consolidation in many instances.

If a representative can point to projects and jobs, which he/she was responsible for bring to the community; that can spell success. Constituents respond many times to things which they can see changing their lives. Federal expenditures, particular public policies and increases in such add to the perceived quality of life of a county as a whole or even the quality of life for a racial group in a Congressional district or a zip code area. The politicians want to find ways to make any funds and public policies they have control over; increase their chances of winning. After all, "...politicians and bureaucrats spend other people's money (Racheter and Wagner 1999)"

Many citizens complain about other districts and regions getting funds and projects, just like they complain and protests for other reforms. These same citizens rarely see the projects in their own counties as useless or as simply, pork. Representatives and the people in their districts want to see the best for their area. This seems to be human nature. This human nature can be described as a need and desire for pork barreling, "Excessive government spending may result from the tendency for congressional representatives and their constituents to ignore the cost of spending on local projects (Racheter and Wagner 1999)." People seem to want the government to be fiscally responsible and provide balanced budgets and the like when it comes to everywhere but where they happen to live. Many times citizens fail to recognize or do not want to recognize that expenditures in their own districts could be part of excessive expenditures and bigger government.

Limitations on what candidate can promise and deliver to contributors exist despite the fact that, “Campaign contributions occur because people think they are buying policy influence (Schiller 2000).” Sometimes when pork cannot be brought back home, policies can be the gift the representatives present to their constituents. Policies and the introduction of policies are not as concrete as pork. They both exist together but pork seems to be the most effective use of the powers bestowed upon Congresspersons to obtain support and contributions.

There are different types of expenditures. The Congresspersons try their best to direct funding in the directions they would desire. Some people wrongly think appropriations can change and be directly easily:

The distinction between controllable and uncontrollable expenditure “indicates how budget items may be changed.” Appropriations are seen as easier targets for change because Congress must act on them annually, but they are not necessarily more flexible (Caiden and Wilavsky 2001).

The fact that budgeting and appropriations is generally an annual activity does make it a stronger tool in the process of securing pork and therefore seeking electoral support. The fact that there are “uncontrollable expenditures,” can make the power of the purse less effective and important than many people believe. There are two sides of appropriations.

Budgets are flexible but they do have parameters, which must be met because of consistency and practicality.

The power of budgeting is a major tool and a big responsibility. The foundations of the American system lie in budgeting. The interest of the people is served by the distribution of funds collected through taxes from the citizens. This

reallocation of the people's money is vital to the success and functioning of the government and the society as whole, "The budgeting power recognizes that there are certain kinds of facilities and services that can promote social and commercial life, but which can generally be provided best by the government (Racheter and Wagner 1999)." One of the main purposes of federal expenditures is providing facilities and services for the people. Pork is simply added "fringe" benefits recognized from the budgeting process for a certain area. These areas are lucky enough to have a representative with the power to get these extra benefits to them on the regular basis.

Questions arise as to how much money counties are getting back in federal expenditures. Are the counties, which have high levels of campaign contributions, receiving more money back in pork? Are politicians making clear connections in the minds of their constituencies between allocations and benefits to a racial group such as Black people? What kinds of connections are there between pork and campaign contributions? There are also questions about how much money is returned for each campaign contribution dollar.

Issues of Concern to Minority Groups are Becoming more Mainstream

There is much evidence that the American electorate is changing in terms of racial makeup. Today, when racial policy is referred to it is much more complex than the Black and White divides of the past. Latin Americans and Asians have immigrated to the United States in record numbers over the past few decades. William Frey examined what some of these changes in the electorate could mean for the future of American politics in his article, "Race, Immigration and the America's

Changing Electorate.” According to Frey, the Asian and Hispanic populations grew by nearly a third between 2000 and 2008 while growth in the same time for Blacks was only 9% and it was 2% for Whites. The net effect of these groups growing at such high rates is possible changes in focus when it comes to public policy. Blacks are no longer the largest minority population in the United States (Frey 2008).

The changes in the racial makeup of the United States may seem remarkable, but they will not have an immediate impact on the political landscape. It may take two or more generations to fully realize just how much things have changed racially in the United States. The two fastest growing racial groups are Asians and Hispanics. Those two groups include large percentages of non-citizens. According to Frey, only 39% of Hispanic residents and 50% of Asian residents are eligible to vote. 34% of the Hispanic population and 23% of the Asian population is below 18 years old. That means that in coming decades those two groups will be able to equal or surpass the numbers of eligible voters in the Black (66%) and White (77%) communities (Frey 2008).

If all of the non-White groups along with disadvantaged Whites were able to work together for shared interests politics would be changed forever. So far that has not been the case. There is now the potential for fewer issues on the national agenda being part of what could be considered in the Black interest. Ironically, in a time where the first Black President has taken office, there is a potential of lessened electoral influence of Blacks in the near future. At the moment, Blacks are still a strong voting Bloc, but the changes in the populations will surely begin to appear in politics and the electorate in the generations to come. At such a time, it may be

important for those interested in Black political influence to look into additional means of political access and influence like organized individual campaign contributions.

Even though the United States was built upon voluntary and forced immigration, it had not been a major issue for some time. Immigration has come back into the forefront of issues due to the faltering economy, the changing electorate and other issues on today's public agenda. America's history is full of the stories of immigrants, as Charles Hirschman puts it, "Immigrants were American history (Hirschman 2006)." Instead of policies dealing with Civil Rights in the South dominating headlines like they did in the 1960s, today's racial policy issue of the day has become immigration and immigration reform.

Immigration is clearly one of the major "racial political" issues of the day, but it is not one that makes it easy to find sides or to figure out on which side an elected official will fall simply because of their party affiliation. This is certainly a departure from some of the racial politics of the past. But, as in the past, the rhetoric and actions of many elected officials on this issue relies heavily on the make-up of and location of their constituencies (Gilled 2008).

Methodology for the Analysis of Current Public Policies

The analysis of the performance of Maryland's members of the House of Representatives proved to go along the lines of what may be expected from a rather liberal and majority Democrat state like Maryland. All of the members of the state's

House delegation got varying degrees of “A” grades from the NAACP except the two Republicans. Wayne Gilchrest (District 1) and Roscoe Bartlett (District 6) were the two Republicans to receive “F” grades by only agreeing with the recommendations of the NAACP on selected legislation 42% and 25% of the time respectively. As mentioned in the previous chapter, those two Republicans represent two of the most rural and least diverse areas of the state; the Eastern Shore and the Western Maryland mountain area.

The performance of the two Republicans in Maryland was not very surprising considering the districts they represent as well as the recent history of the relationship between the Republican Party and Blacks in America. Since the mid-1960s, “the majority of Black Americans have both identified with the Democratic Party and voted for its presidential candidates (Luks and Elms 2005).” Democrats on all levels have come to rely on consistent support from Black voters that Republicans just do not usually look for when they are campaigning or making policy decisions which may impact the perceptions of potential voters. Even though there are some connections between the conservative social values of many Republicans and many in the Black community they have not led to many inroads to Blacks voting Republican or Republican elected officials making efforts to reach many Black voters. Additionally, the issues most related to the racial wealth gap are not moral, religious or social; they are more economic and welfare policy issues like housing, employment and education. This possibly contributes further to disconnects between Republicans in Congress and issues of interest to Blacks (Cloud and Padgett 2008).

The NAACP chose 36 pieces of legislation from the 109th Congress which they considered pivotal to the interests of Blacks in the United States of America. Below are the twelve out of that 36 that most pertain to the inequalities of the racial wealth gap. The other 24 pieces of legislation dealt with other less related issues or symbolic issues related to race. It is good to get an idea of how each one Maryland's representatives voted on these issues with logical connections to the perpetuation of the racial wealth gap.

One congressperson received a 100% grade from the NAACP, Elijah Cummings from the 7th district. Four received 97% grades; Ben Cardin (District 3), Albert Wynn (District 4), Steny Hoyer (District 5) and Chris Van Hollen (District 8) with Dutch Ruppersburger (District 2) getting a 94%. Clearly, in the state of Maryland there is a good amount of agreement between the NAACP and the elected officials when it comes to matters brought before Congress for votes dealing with issues of particular interest to the Black community. This show of agreement on issues which the NAACP deems as important to the Black community chips away at perceptions and many realities related to Blacks not getting proper access to the "American dream." Even though, "Black people seem to have gained little that would encourage them to maintain a realistic belief in the 'American dream' (Conley 1999)." Even though the character of many policies seen as directly beneficial to Blacks are not as blatantly connected to race it should still be encouraging to see positive action by elected official on the policy issues even loosely related to race today.

As was explained above, there is not too much derision between most of the members of Maryland's House delegation when it comes to public policy decisions in the Black interest. So the key to analyzing these issues is to look at what issues are before the House of Representatives that reflect the issues of the past that contributed to the creation of the racial wealth gap. Instead of specifically looking at each issue and then lining it up with each congressperson from Maryland, it is important to take the time to reflect on how these issues could impact the perpetuation of the racial wealth gap in the United States.

It is useful to get a perspective on the performance of the entire Congress on issues pertaining to the perpetuation of the racial wealth gap. This perspective is gained by going through a analysis of each one of the twelve public policy areas voted upon by the 109th Congress which best pertain to the racial wealth gap. In reviewing each one of these policies there is care taken to draw comparisons to the policies of the past that helped to create the inequalities of the past that persists to this day.

The twelve most relevant policy decisions are displayed and analyzed in three different areas of interest. The first and most reminiscent of past policies that contributed to the racial wealth gap is the area of housing policy. Even in these modern times there are many issues concerning racial equality and housing in which the federal government is involved. Education and training are the next areas of policy analyzed. In the past, policies like the GI Bill ended up benefitting Whites much more than Blacks in terms of education and training. Today there are still issues of racial equality connected to education policy and policies on various types

of training. Lastly there are a few policies dealing with labor and employment policies. In the past, policies on labor and employment had major impact on the incomes Black families were able to obtain and thus had great impact on any possible wealth accumulation.

The current situation and future of racial inequality relies a good amount on the legislation, positive and negative, which are passed and defeated in Congress that relate to the specific areas of inequality like legislation and policies did in the past. Now that there is a history of “racial wealth gap policy” to review as was detailed in chapter two it makes it easier to analyze the policies being decided upon today. The analyses that follow work to paint the picture of the policies dealt with by the members of the 109th Congress discussed previously in chapter three. It is important to add to the picture of current day issues connecting the racial wealth gap, politics, political participation and public policy.

Housing Policy

As was discussed in detail in chapter two, homeownership and affordable housing have been a major part of the creation of the racial wealth gap. Many public policies have resulted in assisting Whites in owning homes and building wealth through the ownership of those homes while many Blacks have been overlooked and marginalized. The disparity in home ownership between Blacks and Whites has been shown to serious implications in relation to disparities in wealth accumulation and quality of life in the United States. The impacts created in great part by those disparities in home ownership can exist from birth throughout an entire life for many

Blacks. Many Blacks end up living in areas with segregated and discriminatory housing markets which contributes to those lifetime effects. These disparities found in current day housing in the United States makes it important to continue paying attention to housing policies coming from the Congress and looking for the connections between those policies and the racial wealth gap (Squires 2007).

The NAACP recognizes how important decisions on housing policy can be to welfare of the Black community. The reality is that, “Despite the passage of major civil rights reforms, most Whites and Blacks continue to live in highly segregated communities (Shapiro 2004).” During the 109th Congress there were five different pieces of legislation decided upon by the House of Representatives dealing with various aspects of housing and homeownership. There was not and will not be any push for widespread integration of communities, “To achieve perfectly integrated communities, two-thirds of either all Black or all White residents would have to move across racial boundaries (Shapiro 2004).” Instead, there are actions the federal government can take in the area of housing policy to work at insuring more equality of treatment and opportunity in this sector.

The first piece of legislation dealing with housing was one that the NAACP supported. Congressman Al Green of Texas offered House Resolution 3058 / Fiscal 2006 Transportation – Treasury – Housing Appropriations / Green (TX) amendment, an amendment to increase funding for Fair Housing Programs by \$7.7 million. He proposed paying for this expenditure through a cut to the IRS information systems account. On June 29, 2005 the Green amendment passed by a margin of 231 to 191.

The only two Representatives from Maryland who voted against this resolution were the two Republicans, Gilchrest and Bartlett (NAACP 2006).

There is, unfortunately, still a dire need for fair housing programs in the United States. Those type of programs work to make the “American dream” of home ownership and/or at least affordable housing a possibility for more individuals and families. Even though this particular expenditure was only \$7.7 million it would still be able to provide assistance to many families in search of housing. Additionally, a positive vote on this policy makes a positive impression on those seeking more fairness in the nation’s housing policies.

Since the federal government has been so complicit in assisting Whites over the years in the accumulation of wealth through home ownership and has not been as active in helping Blacks and others, it is important to be able to maintain political pressure to ensure fair practices in providing opportunities for housing. Congressman Barney Frank of Massachusetts registered, House Resolution 1461 / Federal Housing Finance Reform Act of 2005 / Frank motion to recommit, to the House Financial Services Committee dealing with protection of the rights of low-income housing advocates to participate in non-partisan voter education and registration activities. Frank made sure there were specific instructions to eliminate the provisions in the original bill that would have prevented groups advocating for low-income housing receiving funding through this particular legislation to even use their own funds to participate in non-partisan get-out-the-vote activities, voter-registration and voter education activities (NAACP 2006).

Frank's move would have allowed a political voice for many people who only have the power to organize and make themselves and their feelings on fair housing heard through that power of organization and the vote. There is no significant amount of wealth in the communities mentioned here so contributing significantly to political campaigns is a lot less likely. Despite the NAACP supporting Frank's motion to recommit because of the need for political advocacy for low-income housing in the Black community this motion failed to pass and lost by a vote of 200 to 220 on October 26th, 2005. As with the previous case, Bartlett and Gilchrest were the only representatives from Maryland to vote against the motion (NAACP 2006).

Many families have trouble financially maintaining households, especially in times of personal or national economic distress, because of energy costs. The NAACP recognized the important of relief in energy costs for so many families of color so they supported Senate bill 2320 / LIHEAP Funding Act when it was voted upon in the House for final passage. If families end up overwhelmed by the cost of day-to-day necessities it is hard to expect those same families to ever make any headway toward building family wealth and to expect better lives for successive generations. In the House this bill passed on March 16th, 2006 by a vote of 287 to 128. On March 20th, 2006 this bill became a law to make available funds included in the Deficit Reduction Act of 2005 for the Low-Income Home Energy Assistance Program for fiscal year 2006. All members of the Maryland House delegation voted to pass this bill (NAACP 2006).

On June 13th, 2006 the House agreed on the amendment by a vote of 243 to 178, House Resolution 5576 / Fiscal year 2007 Housing appropriations / Nadler

amendment, which would provide an additional \$70 million for Section 8 housing vouchers. This expenditure would be offset by a cut to the working capital fund the Housing and Urban Development Management Administration account. As was detailed in chapter two, there has been a long and sordid history of housing policy in the United States. As was explained in chapter two, two systems of welfare in terms of housing were created generations ago and still exist. There has been a good amount of research suggesting residential segregation serves as a system of inequality leading to greater resources and opportunity for many Whites (members of the dominant group) and systematically disadvantaging many Blacks (who many times fall into the lower-status group) (Wilson 1996; Massey and Denton 1993). Section 8 vouchers are a benefit for people in lower income brackets and, in turn, many Blacks and families of color. This is one of the reasons the NAACP supported the passage of this amendment. Many of their families have not had the opportunity to build wealth through homeownership and they have not been passed wealth like their counterparts from propertied families. As was the case with the home energy legislation, all of the Congresspersons from Maryland voted to pass this amendment (NAACP 2006).

The history of the establishment and actions of the Department of Housing and Urban Development (HUD) were detailed in chapter two. Also the racial stratification resulting from many actions and policies of HUD were detailed in the chapter. Congressional Black Caucus member Maxine Waters represents an urban district in the Los Angeles area where many of her constituents rely on various federal housing and development programs run through HUD. She, along with Congressman Jerrold Nadler of New York proposed, House Resolution 5576 / Fiscal year 2007 Housing appropriations, an amendment providing \$3 million for HUD's

Community Development Loan Guarantee Program. This expenditure was to be offset by an equal cut to the working capital fund from the HUD Management and Administration account. In line with the support of the NAACP the amendment was agreed upon by a close vote of 218 to 207 on June 13th, 2006. This \$3 million program was small but meaningful in the interest of community development and the victory of this legislation could be very encouraging.

One group caught in the middle of much of the modern day moves in housing policy are middle class Blacks. Black middle class neighborhoods are usually between many of the areas segregated by class and race. It makes it rather hard for them to decide which policies will be best for their families and their neighborhoods. There are many of those situations in neighborhoods in Maryland. Thomas Shapiro expanded on the situation by writing, “residential segregation typically situates Black middle class neighborhoods between poor Black communities and Whites...thus they share space and public services with poor Blacks (2004).” Blacks moving into the middle class or well established in the middle class end up having options for the betterment of their neighborhoods forever tied to the plight of poor Blacks in a way not usually seen with middle class Whites and poor Whites.

Policies on Education and Training

In looking at current-day policies which can be important to overcoming or at least working against the persistence of the racial wealth gap, it is important to take a look at policies on education and training. As was mentioned in chapter two, there

have been many instances where Federal policies on improving education or working to help more people get educations have disproportionately benefitted Whites and left out many Blacks. Wealth is very important to success and it is closely intertwined with education and educational performance:

Melvin Oliver and Thomas Shapiro have shown in *Black Wealth/White Wealth* that access to wealth affects people in many ways: whether they go to college, and where... whether they own their homes... Moreover, Dalton Conley concludes that the difference in wealth among racial groups is one of the most powerful factors explaining racial differences in performances on standardized tests (Darity 2000).

Keeping tabs on various education policies is important to the NAACP since such policies have been so important to the Black community. The possible economic prosperity relies in good part to public policies coming through the federal government to expand access to higher education and improve the quality of education received by children of color. Also, future success in education and future attainment of wealth by many Blacks depend upon one another as is mentioned above.

As was the case in the past, vocational training is very important to individuals and communities in need of uplift in terms of employment and economic empowerment. In chapter two there were a number of instances referred to where racial discrimination in the implementation of such policies furthered racial inequalities. The House passed such a vocational-technical education bill by an overwhelming margin of 416 to nine on May 4th, 2005 when they passed House Resolution 366 / Carl D. Perkins Career and Technical Education Improvement Act

of 2005 / Final passage. This reauthorization of legislation provided grants to states to develop and support vocational training programs. At the time, in his 2006 budget, President Bush had proposed eliminating all funding for this program and Roscoe Bartlett was the only House member from Maryland to vote against H.R. 366. The NAACP stood in opposition to President Bush's stance on the issue and they supported the final passage of this legislation. This bill reached out beyond some traditional vocational training programs by removing spending caps on other programs such as prisoner retraining.

As was the case in the past during the first implementations of the GI Bill, historically Black colleges and universities still have a meaningful place in the empowerment of Blacks in the United States. In 2005, Congresswoman Sheila Jackson-Lee of Texas offered an amendment to, House Resolution 250 / Manufacturing Technology Competitiveness Act of 2005. It would make funds available to historically Black colleges and universities and other minority serving institutions. The funds are intended to improve the competitiveness of the United States manufacturing sector, for scientific, technical research and general services. The amendment passed on September 21, 2005, by a margin of 416 to 8. In the past with the G.I. Bill overwhelmed Historically Black Colleges and Universities with applicants exposing their lack of funds, equipment and facilities in comparison to White institutions of the day (Katznelson 2005). By 2005, there had been advances at those institutions but there were still major disparities and this legislation was meant to work toward remedying some of those disparities. The state of Maryland is one of the states in the nation that is home to multiple Historically Black Colleges and

Universities. All of the members of the state's House delegation voted to pass this amendment.

Education policy not only involves higher education policy. There are many education policies dealing with grade school education. Disparities in local schools have long contributed to the racial wealth gap and other racial inequalities. The racial wealth gap and racial disparities in home ownership based along lines of residential segregation have significant effects on the locally run system of education in the United States:

Clearly, owning a home in a high-value neighborhood directly affects the amount of public resources devoted to each child. As long as schools remain financed at the local level by property taxes, enormous differences in quality by district will remain, differences associated with the housing wealth in that community (Conley 1999).

If there are profound disparities in the funding of local education and disparities in the quality of that education, logically there would be hurdles in place for young adults from those communities to come back and work in their communities as educators. In an effort to provide such opportunities for young minority educators and to improve the instruction in many majority-minority school districts many times in underserved urban areas Congressman Danny Davis of Chicago, Illinois introduced an amendment.

Davis' amendment, House Resolution 2123 / School Readiness Act of 2005/ Davis Amendment passed by a margin of 401 to 14 on September 22, 2005. The amendment sought to direct the United States Department of Health and Human

Services to conduct an outreach program for educators. They would be given the task of recruiting African-American and Latino-American men to become Head Start Teachers. There is a dire need for men of color to work with children in the Head Start program. This amendment would try to improve opportunities for young people of color at the earliest points in their educations. This was another case in which all of the members of the Maryland delegation voted for the amendment and the NAACP also supported the amendment (NAACP 2006).

President Lyndon Johnson once made a now famous comment on the nation's need for affirmative action programs, "You do not take a person who, for many years has been hobbled by chains and liberate him, bring him up to the starting line in a race and then say, 'you are free to compete with all the others,' and still justly believe that you have been completely fair (Darity 2000)." Affirmative action policies were originally applied to federal contractors. As time went on the idea of the starting line and the race was expanded eventually, the programs were expanded to cover college and university admissions. Now diversity is usually seen as a benefit within the higher education community, even though there have been selected public outcries along with proposals for legislation to attack or dismantle such programs. Lee Bollinger said the following in response to attacks on the policies in higher education, "We in higher education understand that the admissions process has less to do with rewarding each student's past performance—although high performance is clearly essential—than it does with building a community of diverse learners who will thrive together and teach one another (Bollinger 2007)."

House Resolution 609 / College Access and Opportunity Act of 2005 / King Amendment was considered an attack on affirmative action in college admissions by the NAACP. It was defeated by a margin of only 83 yeas to 337 nays on March 20, 2006. Wayne Gilchrest and Dutch Ruppersberger did not vote on this measure and Roscoe Bartlett voted against for it. All of the other House members from Maryland voted in the majority, along with the opposition posed by the NAAP and voted against the passage of the amendment. The amendment offered by Congressman Steve King of Iowa would have required all higher education institutions to report Department of Education annually on whether and how race, color or national origin is considered in their admissions processes. This would have put additional pressure and burden on schools in the area of affirmative action and provided another opening for those working to dismantle affirmative action programs in higher education (NAACP 2006). Diversity is becoming recognized more as a benefit to campuses and students even at a time where programs to ensure diversity are under attack:

Universities understand that to remain competitive, their most important obligation is to determine—and then deliver—what future graduates will need to know about their world and how to gain that knowledge...the experience of arriving on a campus to live and study with classmates from a divers range of backgrounds is essential to students' training for this new world, nurturing them in an instinct to reach out instead of clinging to the comforts of what seems natural and familiar...Affirmative action programs help to achieve that larger goal...(Bollinger 2007).

It was seen a good in the eyes of supporters of affirmative action in higher education that the King Amendment was defeated and defeated in an impressive fashion.

Labor and Employment Policies

Even today, it is still important to pay attention to the labor and employment policies coming from the Congress. Such policies have ended up magnifying racial disparities instead of evening the playing field. Over the years there was a "...dual labor market, with primary sector jobs reserved for Whites and Blacks relegated to a secondary sector of low-paying , low-status jobs, reinforcing the subordinate position of the Black worker (Williams 2004)."

Civil rights in employment and equal opportunity have clear connections to the eradication of the racial wealth gap. If fairness can be implemented in employment and hiring practices and racial disparities can be overcome, it is more likely race would fade away as a factor in unequal rates of employment and inequalities in income. On February 17th, 2005 an amendment offered by Congressman John Conyers, Jr. of Michigan was defeated by a wide margin of 178 to 247 with only the Republicans in the Maryland delegation being part of that 247. This amendment to the Class Action Fairness Act of 2005 would have excluded civil rights class action suits from the bill's provision. The NAACP supported Conyers in this amendment (NAACP 2006). This was an effort to get more protections for those seeking restitution after being discrimination in the workplace.

Job training is vital along with fairness in hiring and education in tearing down barriers to equality in the employment sector. In 2005, Congressman Robert

Scott of Virginia, attempted to remove language in the Job Training Improvement Act of 2005 that permitted discrimination by faith-based organization when they were staffing the federally-back programs. Scott want there to be no discrimination based on religion or any other means used in staffing decisions for the programs since they received federal funding. The NAACP supported Scott's amendment. It (H.R. 27) was defeated by a margin of 186 to 238 on March 2nd, 2005 with only the Republicans from Maryland voting in that majority (NAACP 2006).

Over the years there has been a need for the federal government to get involved in enforcing fair employment practices from time to time. This was especially true as detailed in chapter two when local agencies were proved to be more a part of the problem of discrimination than the solution in employment. As a result of the Civil Rights Act in the 1960s, Equal Employment Opportunity Commission Offices were opened and continued to be opened and operated for years to follow. In 2005, the late Congresswoman, Stephanie Tubbs-Jones saw a tragic situation unfolding with the possible closures of a number of those offices. There had been many years since the original creation of the commission but Jones and others saw the clear continued need for enforcement of fair employment laws and a need for a presence by the commission that may be lost with the closures. The amendment to the Fiscal year 2006 Commerce-Justice-Science Appropriation (H.R. 2862) was defeated by a slim margin of 201 to 222 on June 15th, 2005 with the only the Republicans in the Maryland delegation voting against the measure (NAACP 2006).

Conclusions Beyond Those Detailed Above

Throughout this project, wealth has been continually shown to be an important tool in political participation and influence. There is a two way street in terms of wealth accumulation and political influence. Those with wealth are more about to influence policy makers who, in turn, may produce policies which assist in the accumulation of wealth. The public policies of the past which assisted many White families in wealth accumulation and either overlooked or hindered many Black families in their own accumulation of wealth did not have a clearly defined stopping point.

It is important to examine public policies and federal expenditures in the current day which may either work to end or perpetuate the racial wealth gap. The findings show that in areas with little to no Black influence, public policies that could be considered in the interest of the Black community are not well represented. That is to be expected. What is more important to do is to look at the types of policies being introduced and supported. There are not many policies which go beyond addressing the ills created in great part by the racial wealth. The symptoms are paid attention to through lackluster efforts in the areas of housing, education and employment. The cause of those symptoms continually goes untreated.

There are not policies in place or policies being introduced to address the racial wealth gap. The problem is so engrained in the history of the United States, that policy makers do not know where to begin and still keep public support. As is mentioned in the ongoing conclusions throughout this chapter dealing with the various public policy decisions, there is still a great need to pay attention to those

decisions. They can have a lot to do with pulling people out of the low end of the racial wealth gap or ignoring them and leaving them at the bottom.

Chapter 5: The Current Issues, Conclusions, and Uses for Research

Housing in the United States

Even though there have been many advancements in race relations in the United States of America, since so many Americans either do not really know about wealth accumulation or decide not to discuss it, racial inequalities in wealth are seldom discussed. This omission from the national debate has allowed the racial wealth gap to persist through the years, many times with the assistance of various government policies.

The nation cannot expect to, one day, overcome all of its issues of race if the issues of race directly connected to economics like the racial wealth gap are overlooked. American politics cannot be viewed as clearly as possible without taking into account racial inequality in political influences along the lines of family wealth. The issues addressed throughout this dissertation are ones of great importance to the nation and its political future.

The continued existence of racial inequality is very evident when the racial wealth gap is examined and the many connections it has to other racial inequalities are uncovered. If, on average, Whites families hold well over ten times the wealth of Black families; there are clearly two different Americas in terms of economic opportunity. The only way to overcome such inequality is to recognize it and understand how it came to be and persist.

There has been discrimination in the credit market as it has been racial discrimination and bias in many other aspect of American society but discrimination in housing has been especially detrimental to wealth accumulation in Black families.

The discrimination of the past still effects homeownership rates today. Even though Black homeownership rose from 43.3% in 1993 to 48.8% in 2004, it is still very much behind White homeownership. In 1993, White homeownership was at 70% and by 2004 it had risen to 76%. Whites are still far more likely to own the main tool of American wealth accumulation, a home (Squires 2007).

For years, Blacks have either been denied or limited in many ways by government run and sponsored homeownership programs. At the same time, White families were being given help in owning homes at much higher rates and they were able to accumulated family wealth at higher rates that Black families. Once we recognize the disparities of the past and address the problems of the present, we can work to tackle the inequalities faced by so many Americans.

Housing is merely one many ways in which public policy has contributed to racial disparity in the United States. The fact that it is so closely related to wealth accumulation makes it stand out more than some others since wealth is very generational. Inequalities in family wealth from generations ago can still show up very clearly in disparities today. Other types of racial inequalities like access to public accommodations would run their course as soon as an accommodation was integrated.

Facing Racial Discrimination Today

In addition to the factors contributing to the creation and persistence of the racial wealth gap discussed above and throughout this dissertation, there are other

factors of modern day discrimination which are leading to even more of a continuation of the racial wealth gap. If the racial wealth gap is allowed to thrive, it will make it even harder to achieve fairness in political participation and public policy. A study was conducted by the Federal Reserve Bank of Boston to determine housing credit discrimination in 1990 and found racial discrimination. The Reserve Bank put together data that included every loan application by non-Whites in the Boston and compared them to a random sample of applications by Whites. This compilation of data made it possible to analyze loan denial rates along the lines of race. 28% of non-white applicants were rejected compared to only 10% of White applicants. It is true that those statistics could be misleading since they do not account for outside factors like credit history and income. Even when such factors were taken into account, there were still significant racial disparities. When factors like credit rating and income were similar, Whites still showed a rejection rate of only 10% while non-Whites had a rejection rate of 18%. This study was able to show that the credit market was still very much racially biased (Skeel 2004). According to Linda Williams, there have been numerous examples in Federal Reserve data where wealthy Blacks with perfect credit scores are turned down more often than Whites with lower-than-average incomes and poor credit records (Williams 2003).

Senator Charles Schumer of New York had his office conduct a similar study a few years later looking into credit discrimination in New York. Based on the survey of almost 200,000 loan applications in New York City, his office concluded that racially discriminatory practices are still prevalent in lending. Senator Schumer had this to say about the discrimination found in the New York housing markets,

“After years of mistrust and years of discrimination, many Blacks simply do not want to risk the humiliation of being turned down for a loan by a bank.” Many of the discriminatory practices have succeeded in discouraging qualified Blacks and taking away hopes for their participation in what many consider the American Dream (Skeel 2004).

Sub-Prime Lending

An issue of particular relevance in this time of economic downturn due in large part to the “burst of the real estate bubble” is sub-prime mortgages. At first glance, sub-prime lending may have been seen as a good thing for Blacks looking for homes since it got many families into homes and some of those homes were more expensive than may have been afforded with other means of financing.

Unfortunately, sub-prime lending ended up evolving into a dangerous means of financing that hit minority communities even harder than others. In sub-prime lending, applicants with less desirable credit are given home loans at higher interest rates than others. In many cases, Blacks and Latinos were steered toward those types of loans regardless of their credit ratings (Howell 2006).

Sub-prime lending opened the door for “predatory lending.” Those lenders use half-truths and commit fraud to convince borrowers to take out loans with high fees and excessive interest rates. Sub-prime lending ended up concentrating, in many cases, in minority neighborhoods. Those same communities and neighborhoods have gone through the long history of other forms abuse in the housing market like red-

lining, block busting and other forms of discrimination in lending. It is true that sub-prime lending did help some Black families who wouldn't have been able to purchase a home otherwise, become homeowners. Even with that being the case, many of those families became "house poor" with loan payments taking up much of their monthly incomes. In general there was an exploitation of Black families when they took part in the sub-prime trend. The practice has been estimated to have had a very detrimental impact on Black wealth accumulation. Predatory lending, which includes sub-prime lending, leads Black families to lose \$9 Billion annually in home equity (Howell 2006).

Educating Communities

Discrimination is still alive and well in the United States. Blacks face new forms of discrimination. In the financial and housing markets, the traditions and practices of the past still influence the outcomes of today. Even when the intention is no racial discrimination, many times outcomes result in racial discrimination. The lower levels of Black home ownership combine with residential segregation and lower values of properties in Black neighborhoods to provide for low levels of quality in the education many Black children receive. In most cases property taxes are the main means of funding for public schools.

Many parents with the means seek out neighborhoods with "good schools." Unfortunately, many Black families do not have the means to move around in the interest of schools. Devalued homes in many Black neighborhoods along with higher

levels of rental properties in those areas contributes to many instances where the schools are not of the quality of schools in many White areas. As was mentioned earlier in the study, residential segregation has negative effects even on Blacks in the middle class. Black middle class neighborhoods are many times adjacent to poorer Black areas or poorer White areas. This ends up leaving Blacks in the middle class to share public services with poorer populations. Their White middle-class counterparts are usually not places in such positions (Shapiro 2004).

The Black Middle Class

Continuing residential segregation has been shown to have serious effects on the wealth accumulation of not just Blacks in lower income brackets, but also the Black middle class. Since around 60% of the total wealth in the entire middle class is accounted for in housing stock, it is clear how Blacks could be at a disadvantage in terms of wealth accumulation since even in the middle class, Black homeownership lags far behind that of Whites (Shapiro 2004).

The middle class housing market hinders the wealth accumulation of Black families in that socioeconomic classification since it is usually restricted to families who can afford suburban homes. The Black middle class is more likely to face blatant discrimination in housing compared to poorer Blacks. Some Black middle class families can afford to pay for housing in predominantly White areas and that opens the door for some of the blatant discrimination. It is much easier for real estate agents, rental managers, lenders and others in the housing market to turn away poor

Blacks simply by quoting prohibitive high costs or setting other restrictive terms. It ends up taking more purposive creativity to consistently steer middle class Blacks into already established Black neighborhoods. This, of course does not happen all of the time but it does occur. This type of modern-day racial segregation goes to perpetuate racial inequalities in employment, education, income and wealth accumulation since so many elements connected to those factors are inscribed in space. Where families live have a very substantial impact on the prosperity and future of the members of those families (Patillo-McCoy 1999).

Of course many of the hurdles faced by Blacks in the middle class are not new. They are simply the newest versions of tactics used in the past. In the 1970's lower-middle class whites had higher rates of homeownership than upper middle class Blacks. Additionally, the homes of those Whites were of higher average market value than the Blacks (Landry 1987). "White flight," the out-migration of White homeowners from areas with 20% or more of the population being Black has also contributed to negative situations for all Blacks, and the Black middle class in particular. The Whites who leave are many times replaced with much less affluent Black residents, leaving the remaining Black middle class families in transformed neighborhoods with less economic and political clout due to average decreases in the household wealth in the area. Vacuum markets arise in those neighborhoods where housing values drop. The phenomenon of "White flight" and the resulting vacuum markets result in "racist residential markets (Conley 1999)."

Black families in the middle class usually have to face the reality that their homes may be undervalued and the neighborhoods in which they move may quickly

change in value and composition if “White flight” takes place. Additionally, they have to pay more attention to the education provided for their children by public schools. 63% of Whites who attend college end up graduating while only 43% of Blacks who attend graduate. If education is a the path for upward mobility for most Blacks, it can be discouraging to realize just how much space can impact success in so many areas of interest (Shapiro 2004).

A study like this one sheds light on the importance of wealth. It also makes it clear how public policies can influence family wealth accumulation. So Blacks in the middle class could use this information as a starting point to economic and political empowerment. If they realize better ways to influence politics with wealth in the form of campaign contributions, they may be able to assert more demands for reforms in public policy, especially pertaining to issues related to wealth like homeownership, employment and education. Blacks in the middle class are in tough spot and they would benefit from more information on why and how they are being marginalized. If they know the why and how, they would feel more equipped to fight for change and they may feel less discouraged. As things stand now, many Blacks feel more discouraged than other Blacks when things do not go their way since they have “followed the rules” and “jumped all of the hurdles” only to be pushed back. Ellis Cose, author of The Rage of a Privileged Class says, “Successful Blacks feel more alienated from society even more so than the larger Black underclass which is not successful. They have done everything that White society has asked of them, but they still do not feel like they are being treated as equals (Cose 1993).”

Do Not Overlook Income

Even though I have gone to great lengths in this study to emphasize the important and usefulness of family wealth as an indicator for welfare of groups while making it clear income was not as good of a measure, income still has importance. The only way which families can ever build wealth if they get fair opportunities in the housing market and other areas is through income. Wealth is equity, land holding and assets (liquid and fixed). Income taken home in the form of a paycheck is especially important to Black families since they usually do not have the family wealth previously mentioned at the levels of their White counterparts to bolster their income and support them in hard times. Once the other factors like housing would be put on an equal playing field, they need equal opportunities in the area of income to start building some family wealth.

Unfortunately, there are major racial disparities in income even in the highest levels of the middle class. Whites with upper white collar careers earn an average of \$90,000 while their Black counterparts in the same category earn less than half that on average. In explaining such disparities, Dalton Conley uses what he calls the “snowball” analogy. Black children are far less likely than Whites to have access to quality schooling and if they do graduate from high school, limits on family assets may prevent them from going to and graduating from colleges as prestigious as their White counterparts. If they do get college degrees, they are usually less prestigious and they are relegated to jobs not as desirable and beneficial as those obtained by whites with more prestigious degrees. This type of average scenario compounded

with some of the aforementioned issues face by the Black middle class can snowball and favor Whites over Blacks continuing the generational disparities of the racial wealth gap. The fight for income equality must exist along side the fight for more equal opportunities in the areas attributed to wealth accumulation.

New Perspectives

As has been mentioned, there is much research and literature on the racial wealth gap. There is much less literature on any possible connections between that gap and political participation and public policy. This study brings many of those connections to light. If those interested in the representation of Black constituents and Black interests take wealth into account as a strong tool of political expression and participation, they may approach political strategy from new angles.

This work seeks to bring together so much research that has been conducted on the racial wealth gap in the interest of finding those political connections. Through providing a detailed history and analysis on the role of public policy in the establishment and perpetuation of the wealth gap the door to political science research on the subject is opened. There is a long line of public policies along with actions and inactions of government from local to federal that have contributed to the racial wealth gap of the current day and the only way to start to chip away at that gap is to recognize such government complicity. Attention must be paid to current policies as has been done in this study.

Future Research

Maryland served as a good case study for this project, but there are possibilities to focus on other areas as well as the entire United States. Additionally there can be more detailed research on the public policies related to the racial wealth gap as well as the public policy process. My hope would be to expand upon this research and draw more connections between the racial wealth gap and the decisions of Blacks to run for office. Are there qualified Blacks who are discouraged from running for elected office because of lack of wealth in their families or communities? This dissertation will open the doors to many possibilities for future research.

Uses in the Classroom

Already this research has spurred new ideas in the classroom. For the past few years I have taught a course I created after beginning this line of research entitled, "Race, Wealth and Inequality in American Politics." In that course students are challenged to questions the racial inequalities found in American society and American politics. Through learning about the far-reaching impact of the racial wealth gap students begin to understand the roots of racial inequality in the United States. They are also enlightened when they learn about the ways in which government policy has created and perpetuated such disparities. Students are encouraged to go out as ambassadors of this information. Their research has made connections between racial disparities in wealth to various educational issues,

criminal justice issues, political participation, social issues, welfare policy and other matters. This dissertation has set the stage for many possibilities in the classroom and in relation to research.

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