

Race, Property and Public Policy

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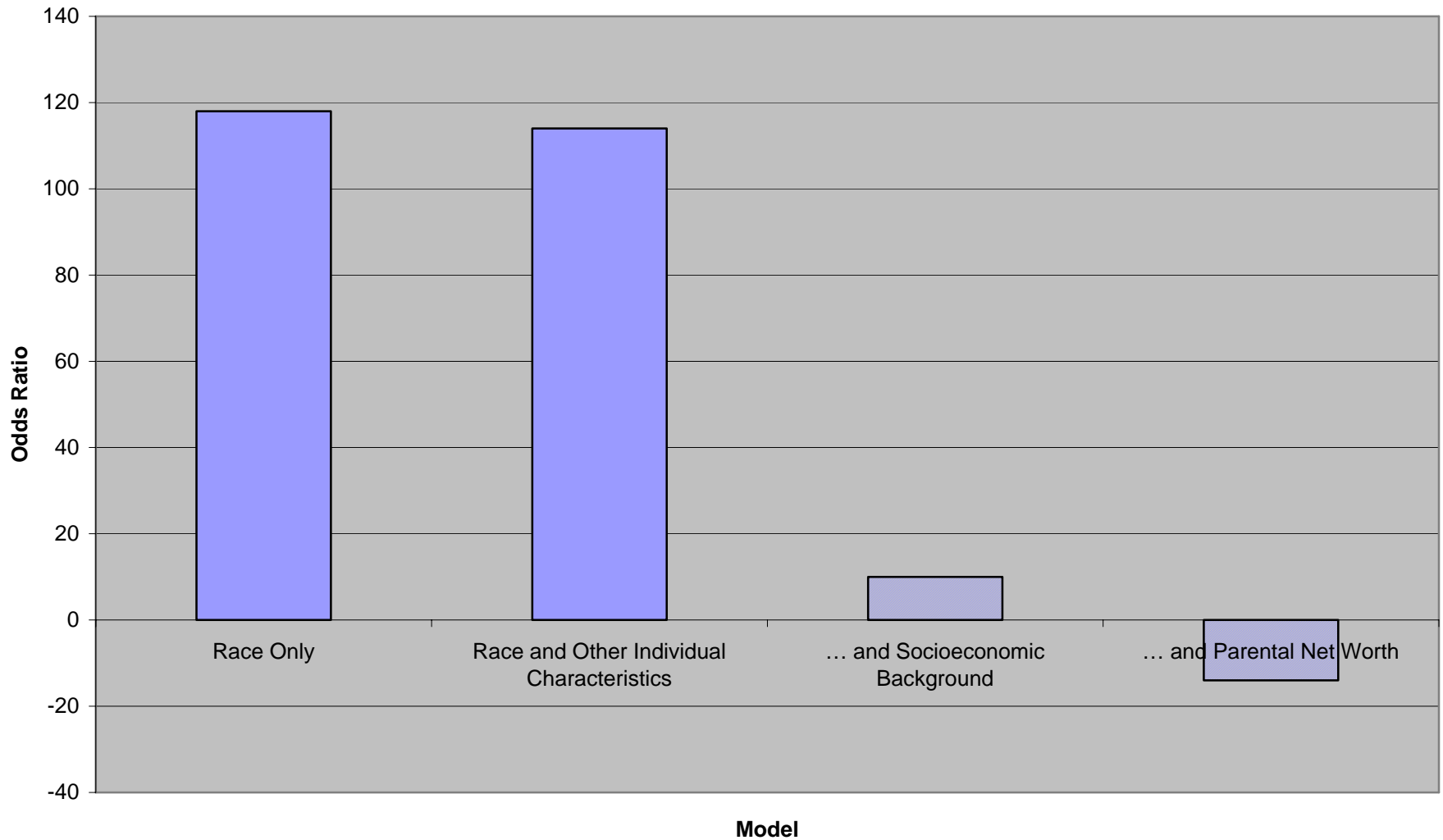
Black-White Inequality

- Bachelor's degrees:
 - African Americans: 14 percent
 - Whites: 28 percent
- Unemployment:
 - Black-white ratio 2:1
- Professional / Managerial Occupation:
 - African Americans: 16 percent
 - Whites: 31 percent
- Median Family Income:
 - African Americans: \$26,522
 - Whites: \$47,023

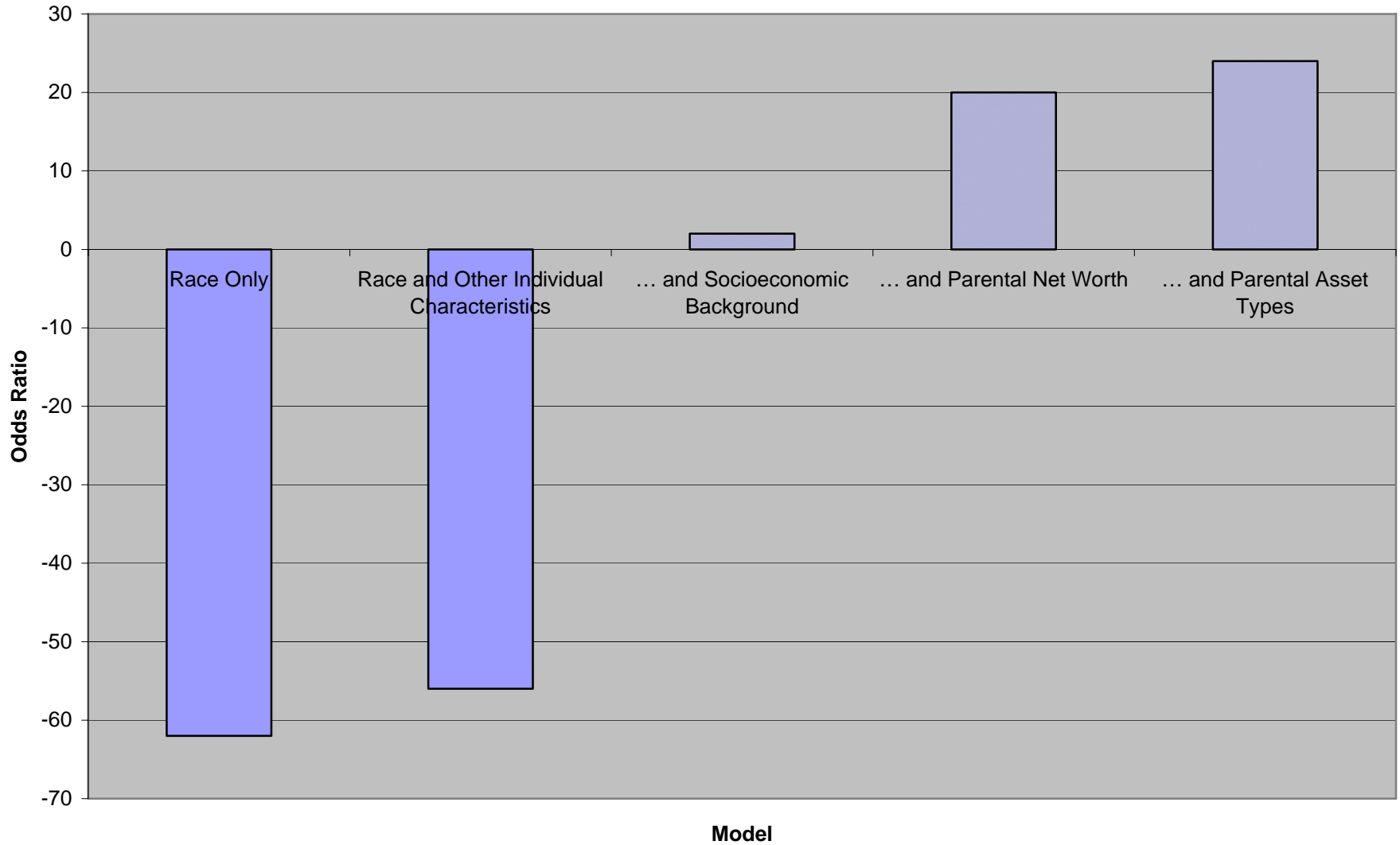
Race-Class Debate: Cross Sectional View

- Continuing inequalities reflect racism / discrimination
 - Overt racism
 - Spatial mismatch
 - Skills mismatch
 - Statistical Discrimination
- Or Inherent Differences
 - Culture of Poverty
 - Genetic Stratification

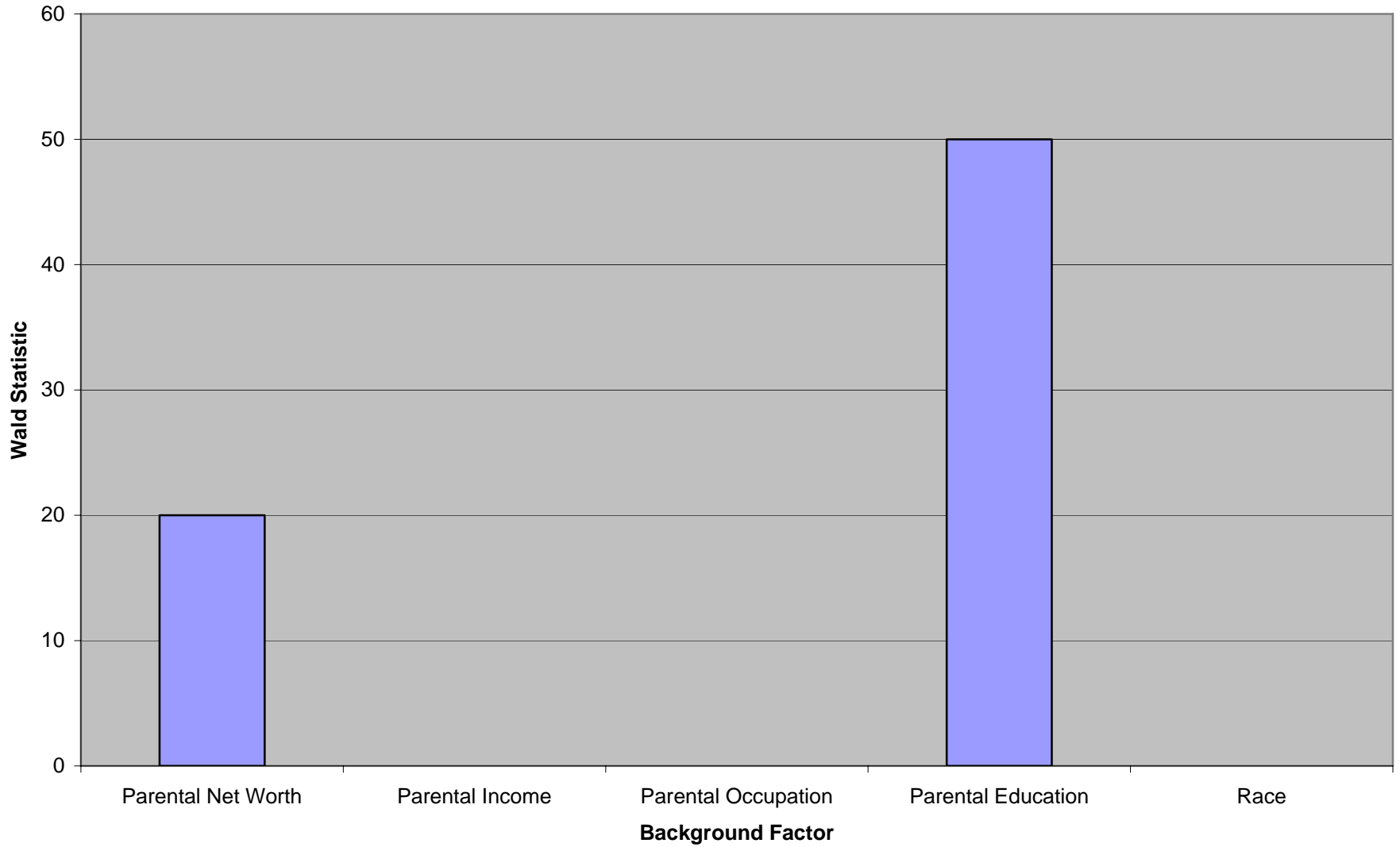
Chances of Using Public Assistance during Early Adulthood (age 18-30) of Blacks Relative to Whites



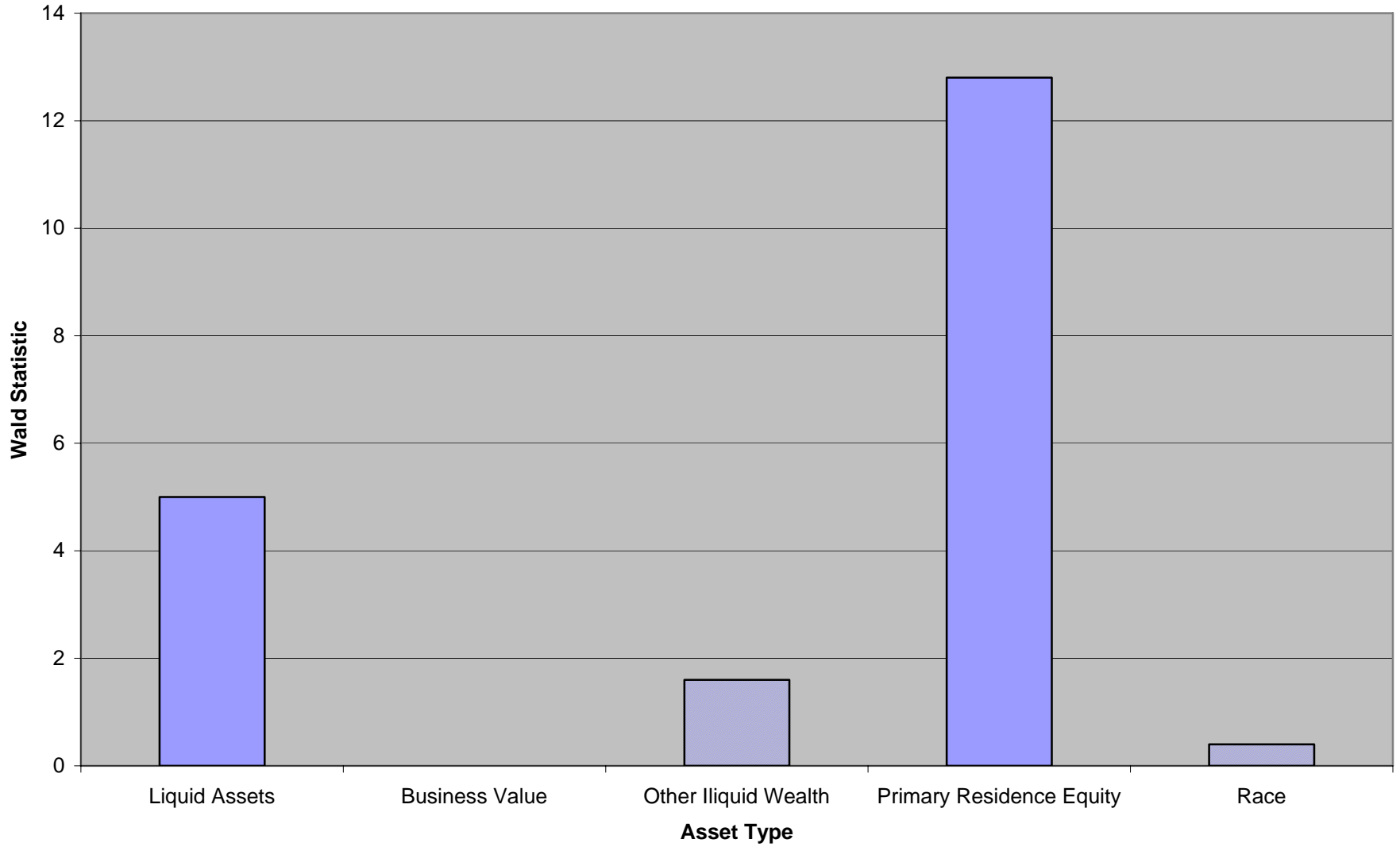
Chances of Completing a Bachelor Degree of Blacks relative to Whites



Effect of Background on Chances of College Graduation



Effect of Wealth Components on Chances of College Graduation



Conclusions

- Effects of race may be counterintuitive when parental class is held constant
- Parental economic inequities are the primary engines of racial stratification
- The importance of wealth presents a paradox, since “equal opportunity” will not fix matters
- Policymakers should see linkages between “separate” realms of life

Policy Recommendation I: Means Testing

- All means tested programs should include assets in their measure of economic resources
- Including the poverty line, itself

Policy Recommendation II: Education

- Sever link between local property taxes and educational financing
- Affirmative action in education based on class background
 - Use combined income and wealth of parents
 - Or use neighborhood wealth characteristics as proxy for household level class
 - Color blind, politically protected
 - No stigma

Policy Recommendation III: Housing

- Sell public housing to its residents
- Social insurance to foster integration
 - Break viscous circle of race and property values

Policy Recommendation IV: Wealth Accumulation

- Slacken asset restrictions for welfare recipients to encourage savings and to make welfare truly temporary
- Make empowerment zones that foster capital within the community rather than luring it from elsewhere
- Individual Development Accounts
- Child Development Accounts

Parallel Systems of Race-Class Stratification

