

Pre-Webinar Reading for Estate Planning & Planned Giving with a **Social & Racial Justice Framework:** *An Invitation and the Start of a Conversation*

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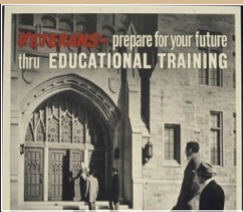
Inequitably Applied Systems of Property Ownership, Economic Security and Mobility



Landownership
Policies and Practices




New Deal Era
Legislation




The G.I. Bill

Credits: IStock, Harvard Business Review, US Office of War Information

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Land Ownership Policies and Practices




Theft & Relocation


- Native Americans suffered from government-sanctioned theft of 1.5 billion acres and the forced relocation of approximately 100,000 Native Americans following passage of the Indian Removal Act of 1830.
- About a quarter of those relocated died in the Trail of Tears from disease and violence.

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Land Ownership Policies and Practices



Annulling a Promise

- Black former slaves were promised “40 acres and a mule” as a form of reparation by General William Sherman’s Special Field Order #15 in 1865.
- These promises were reversed by President Andrew Johnson, resulting in only 5% of black families in the deep South owning land.

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Land Ownership Policies and Practices




Terror


- African Americans who were able to buy farms in south represented 14% of Southern farm owners in 1920. This was met with a white supremacist backlash.
- According to Ray Winbush, Director of the Institute of Urban Research, “Most black men were lynched between 1890 and 1920 because whites wanted their land.”

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Land Ownership Policies and Practices




Unfair Loans & Unclear Titles

- According to a Propublica article, since Blacks did not trust the court system, most died without wills, causing unclear titling of land for heirs. These heirs lost in court battles over legal ownership.
- The FHA and USDA were also known for discriminatory loan practices against black farmers, which contributed to a 93% decline in farmers in the US – from 681,790 in 1940 to 45,594 in 1974.


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Land Ownership Policies and Practices


Internment



- Among the Japanese Americans, their detention and relocation in internment camps resulted in uncompensated property loss that could be worth up to \$3.4 billion in the 1980s according to a study done for the Commission on Wartime Relocation and Internment of Civilians.

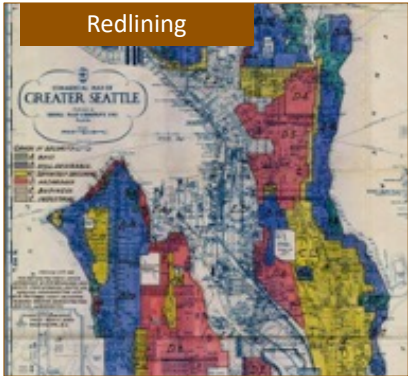
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Land Ownership Policies and Practices

Redlining



- Redlining – Maps identifying neighborhoods where minorities live as high risk or hazardous were used by lending institutions and the FHA to deny access to mortgage lending to Black homeowners.
- Redlining officially began with the 1934 National Housing Act, which established the Federal Housing Administration (FHA).
- Housing Covenants adopted by most Homeowners Associations creating the American suburbs in the 1950's extended the redlining generation after generation by forbidding white homeowners to sell homes to Black families.

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New Deal Era Legislation: Social Security Act, National Labor Relations Acts, and Fair Labor Standards Act



Getty Images

Juan Perea, "Doctrines of Delusion,"
University of Pittsburg Law Review

- The New Deal Era Legislation was designed to help Americans made desperate by the Depression. It is responsible for some of the protections we enjoy today –
 - Social Security Act, which reduced poverty among the elderly and also provided unemployment insurance;
 - National Labor Relations Act, which guaranteed the right to organize trade unions and engage in collective bargaining;
 - Fair Labor Standards Act, which created the right to a minimum wage and overtime pay.

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New Deal Era Legislation: Social Security Act, National Labor Relations Acts, and Fair Labor Standards Act



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- Unfortunately, two conditions associated with these laws marginalized the ability of blacks to benefit from them:
 1. These laws excluded agricultural and domestic workers until later on (mid 1950s for Social Security) and 85% of black men and 96 percent of black women were employed in these sectors (accdg to sociologist Stephen Steinberg).
 2. These laws were not enforced and administered at the federal level. To get this legislation passed, Roosevelt allowed the decentralized administration of these benefits, enabling state, local and county level officials to perpetuate Jim Crow practices of white racial dominance in the distribution of benefits.

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The G. I. Bill: WWII Servicemen's Readjustment Act of 1944




Bundes archiv, Scheck 1944

- Racial discrimination severely limited access to higher education. Historic Black Colleges and Universities only had capacity to accommodate 45% of returning black soldiers.
- Redlining made black veterans practically unable to purchase homes.
- Uneven implementation widened education, income, and wealth gap between blacks and whites.

Erin Blakemore, "How the GI Bill's Promise Was Denied to a Million Black WWII Veterans"

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U. S. Tax System Since Reagan Era Favors Asset Owners vs. Wage Earners

Since the time of Reagan, taxation has shifted from more progressive taxes on wealth to more regressive taxes on income and consumption, unfairly burdening BIPOC communities that rely on wages while disproportionately benefiting whites and their wealth accumulation.

- The recent decrease in the top marginal rate from 39.6% to 37% predominantly benefited high-income whites.
- The preferential tax treatment of capital gains and dividends has also largely benefited the rich and exacerbated the wealth gap. This has contributed to the top 20% of income earners who are disproportionately white to own 92% of shareholder wealth.

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U . S . Tax System Since Reagan Era Favors Asset Owners vs . Wage Earners (Continued)

- The current estate tax exemption amounts and lower estate tax rates have benefited predominantly wealthy white classes in this country, enabling them to perpetuate privilege and inequality in the next generation.
- The anti-tax movement over the last four decades, especially at the state and municipal level has lowered revenue considerably and caused a disinvestment in infrastructure, including public transit, education and neighborhood revitalization that could benefit historically neglected BIPOC communities. A good example of this is Prop 13 in California, which effectively based property taxes on the 1976 assessed values of those properties and led to a disinvestment in public schools.

-Palma Strand and Nicholas Mirkay, "Racialized Tax Inequity: Wealth, Racism and the US Tax System."

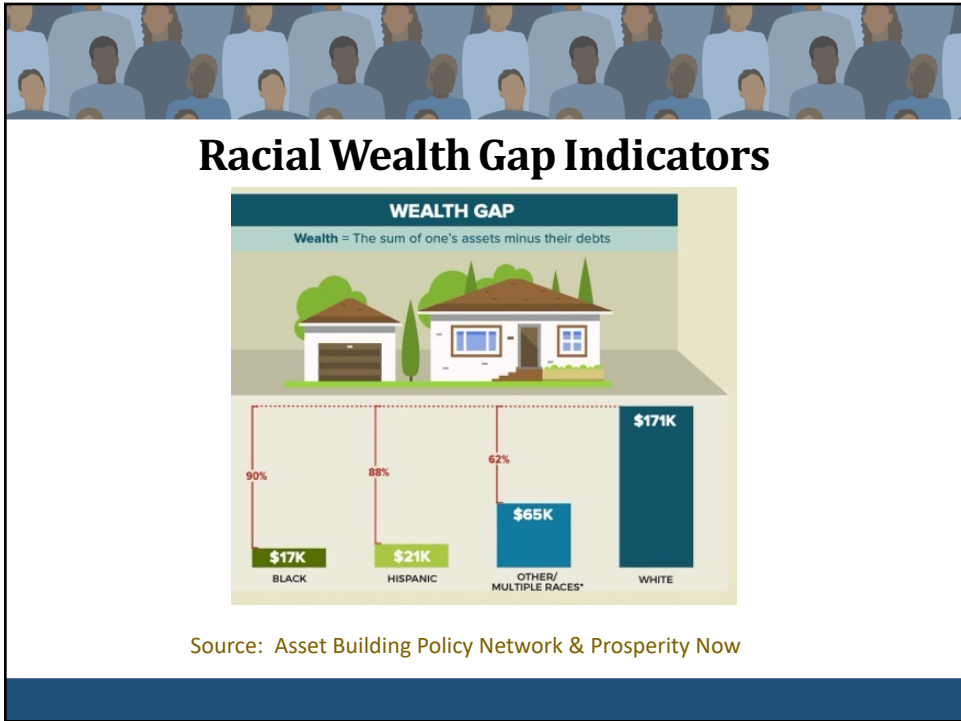
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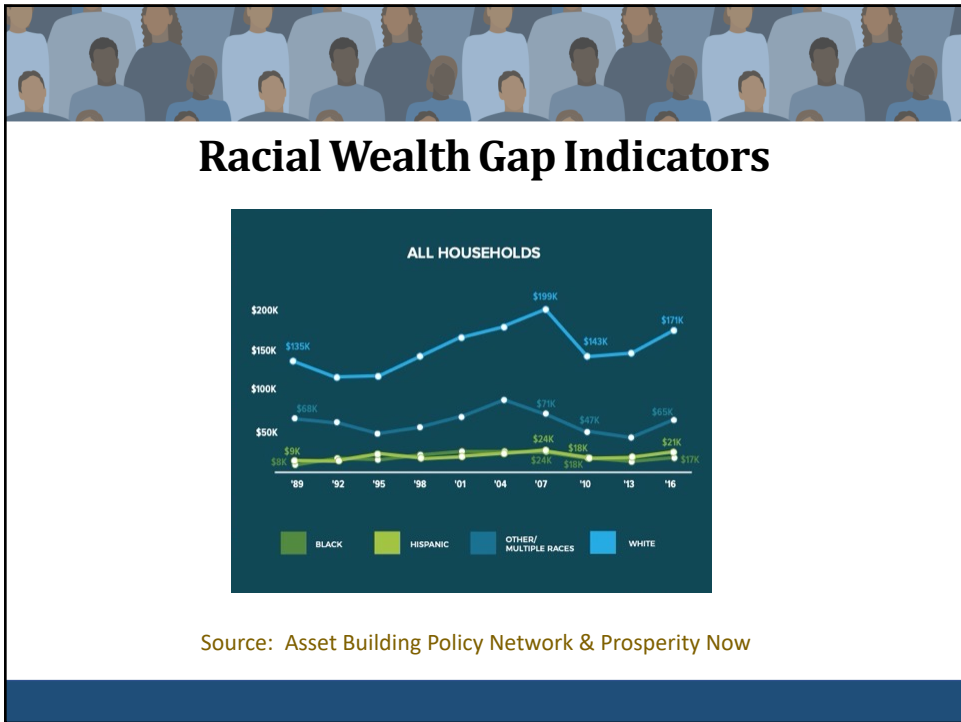
The Racial Wealth Gap

Snapshots of Multigenerational Consequences

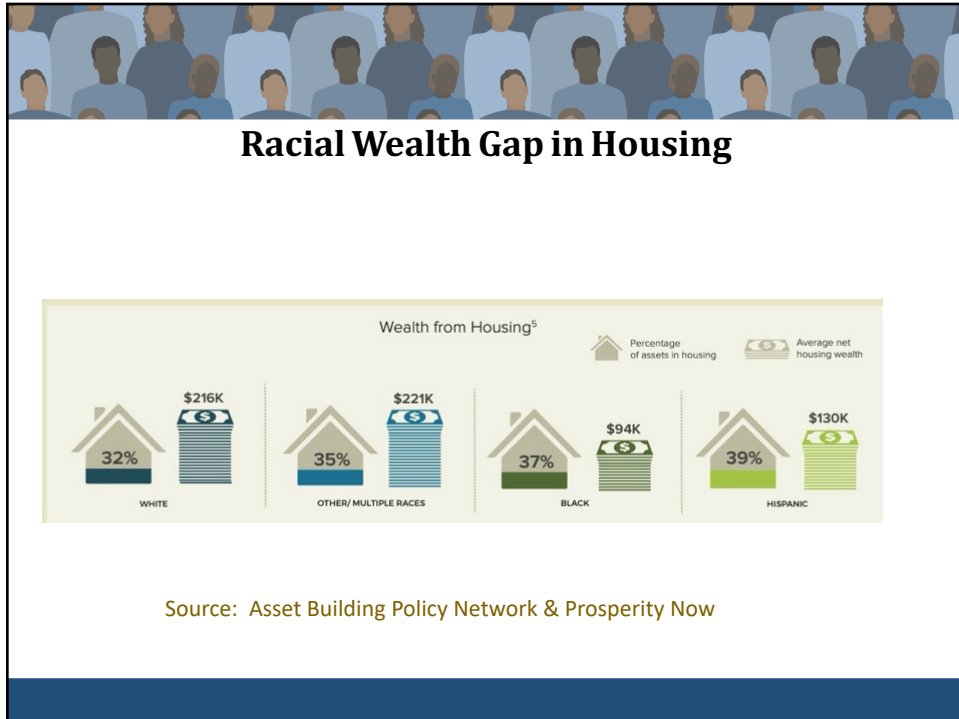
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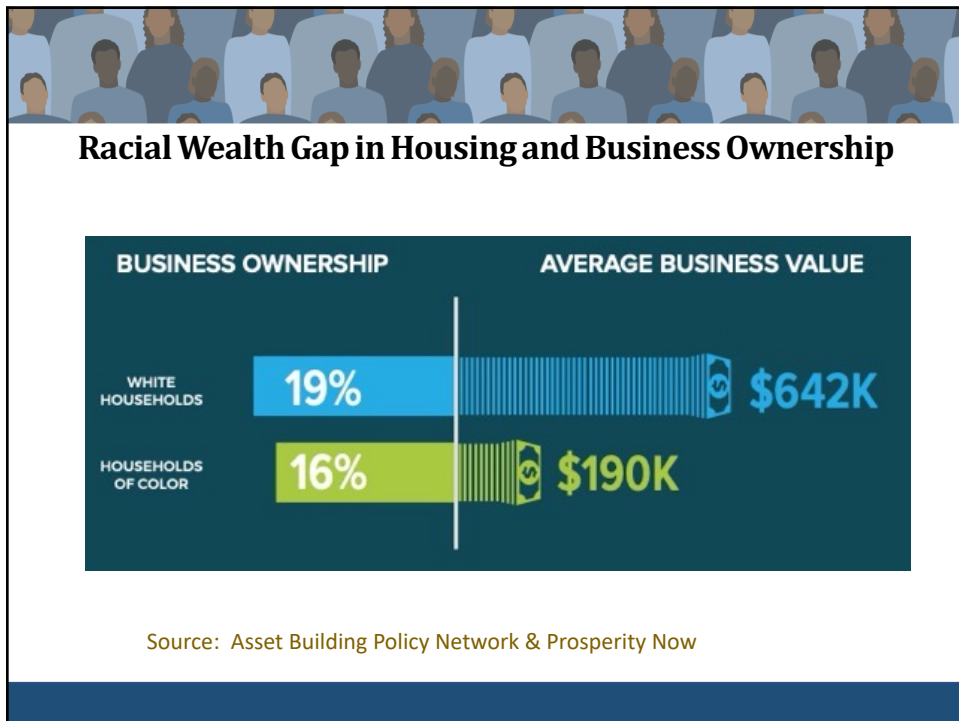
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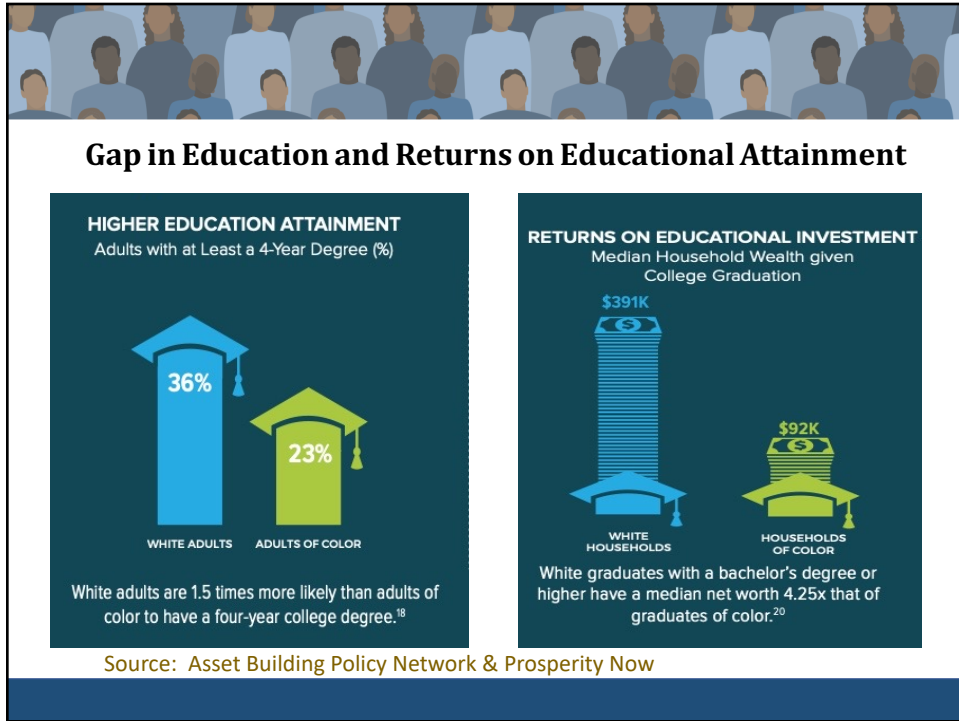
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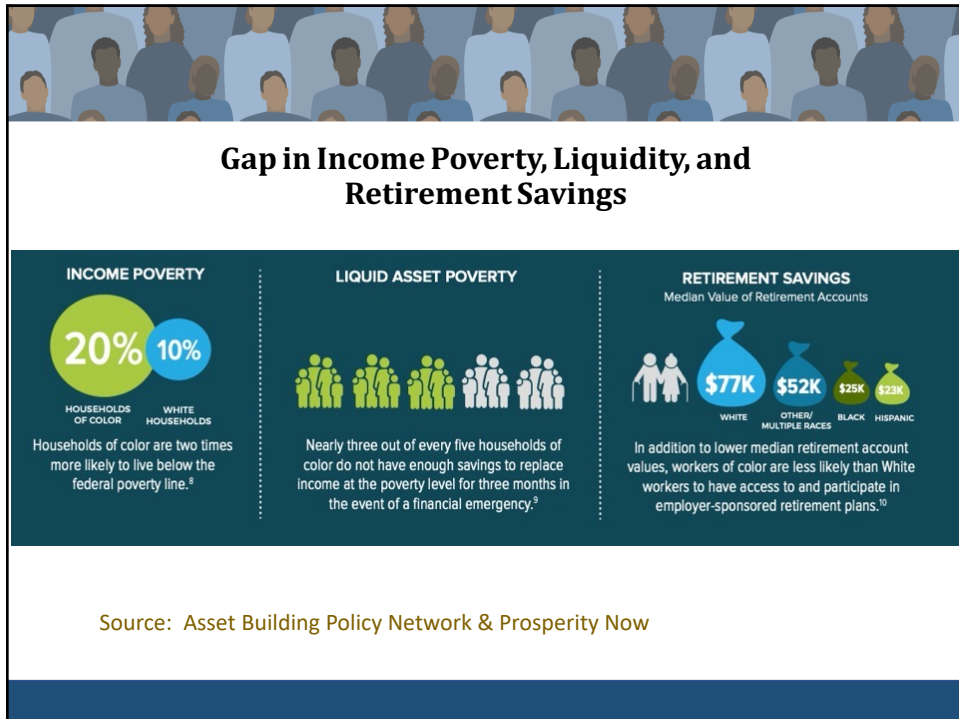
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