

“The Economics of Injustice”

*Part IV of VI in the sermon series
“400 years of Africans in America”*

*2 Corinthians 8:14 and
Jeremiah 23:25-26*

The Rev. Amanda Conley
Guest Minister

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From the Pulpit

The First Congregational Church, United Church of Christ

444 East Broad Street, Columbus, OH 43215

Phone: 614.228.1741 Fax: 614.461.1741

Email: home@first-church.org

Website: <http://www.first-church.org>

One of the innumerable things that I love about God, is that God is nearby, filling the earth and the heavens. No matter of this life is untouched by the Spirit and no matter of this life is outside the calling of the Body of Christ. And so, there is a word from God for our economic life, there is a churning of the Spirit towards change for economic prosperity, and there is guidance from the Son about facing the economics of injustice.

Americans, we cannot ignore the sweeping structures of institutionalized racism and economic disparities borne from slavery. The intentional structure of keeping wealth and abundance from those in the African American community is a direct affront to the word of God. **2 Corinthians 8:14** says **“at this present time your abundance being a supply for their need, so that their abundance also may become a supply for your need, that there may be equality;”** We are called by God to create a life where abundance is shared, where we take care of one another, and not privilege power, money, and wants over the needs of our neighbor.

Jeremiah 23:25-26 I have heard what the prophets have said who prophesy lies in my name, saying, "I have dreamed, I have dreamed!" How long? Will the hearts of the prophets ever turn back--those who prophesy lies, and who prophesy the deceit of their own heart? Dr. Darrick Hamilton executive director of the Kirwan Institute for the study of race and ethnicity at the Ohio State University discusses something we have all heard, and maybe even said ourselves: that we are all able to work hard and achieve the “American Dream.” If we are not doing well in society, we must work harder, study harder, get a good education, get a good job—then you can have equality and prosperity in America.

This narrative is a lie of false prophets. It keeps us from accepting the truths of systemic injustice and our role in

examining economic disparity. Dr. Darrick Hamilton has a lecture on YouTube (for those interested) called “Working Hard Ain’t Enough for Black Americans”—I encourage you to view; where he dismantles the lie and dives into the complex issues keeping black America in economic despair.

What are the disparities? I want to briefly share some recent facts. These first few pertain to the wealth/income gap. Facts from 2018 in Forbes:

- According to the New York Times, for every \$100 in white family wealth, black families hold just \$5.04.
- The Economic Policy Institute found that more than one in four black households have zero or negative net worth, compared to less than one in ten white families without wealth.
- The Institute for Policy Studies recent report *The Road to Zero Wealth: How the Racial Divide is Hollowing Out the America’s Middle Class (RZW)* showed that between 1983 and 2013, the wealth of the median black household declined 75 percent (from \$6,800 to \$1,700).
- At the same time, wealth for the median white household increased 14 percent from \$102,000 to \$116,800.

Brian Thompson, in this article on Forbes explains that the total economic picture for black people is still deteriorating.

- In fact, by 2020 (just next year) black households are projected to lose 18 percent more wealth.
- After that decline, the median white household will own 86 times more wealth than its black counterpart.

When exploring the wealth gap I looked into the elements that are needed to accrue wealth. It is clear through the work of many scholars that Jim Crow laws and governmental policies such as the homestead act or social security act were designed to exclude people of color. Meaning that, historically, blacks have been intentionally prevented from accruing wealth.

Allow me to share a story about a black man named Clyde Ross. Clyde was born in 1923—he and his family were from Mississippi, where growing up Clyde's parents had land and animals. Jim Crow Mississippi was a horrific place to be as a black person. Lynching was prolific and protection for blacks was non-existent. Clyde Ross's father was told he owed \$3,000 in back taxes; he could not read and he had no lawyer. The Ross family could not contest the claim and had no protection under the law. The authorities seized the land, the buggy, the animals...the family was reduced to sharecropping.

Many years later Clyde grew up, got drafted into the military, went away to fight in WWII. 1947-1961 When he came back to start his life, he went north to Chicago, found a life with wages and work, no Klansmen terrorized him, he married had kids

and wanted to purchase a home. Come to find out that he could not find legitimate mortgage financing.

From 1930s-1960s Black people across the country were largely cut out of the legitimate home-mortgage market through legal and extra-legal means. In the 1930s, as part of the New Deal, the Federal Housing Administration (FHA) created loan programs to help make home ownership accessible to more Americans. The Government created color-coded maps — green for good neighborhoods and red for bad neighborhoods — to determine who got those loans.

Can we guess what made for a neighborhood to be considered “bad”? You got it, many neighborhoods were designated as red/bad because blacks and other people of color lived in them. This is what we all know today as “red-lining.”

This process encouraged developers in green areas to explicitly discriminate against non-whites. Developers would bring households of color into wealth stripping “land contracts,” where they paid exorbitant prices for homes that they could lose very easily. Certain men would sell housing contracts, selling homes at inflated prices and then evict families that couldn’t pay, bring in a new black family, rinse and repeat.

- These policies through the government resulted in 98% of home loans going to white families, from 1934 to 1962.

What happens when new homes are built and people start accruing wealth in an area? New businesses are attracted to those neighborhoods, bringing a boom of energy, new roads and infrastructure are built, new schools and higher-quality government services. These things in turn increased property values and allowed those homeowners access to other wealth building vehicles like going to college. As a result, wealth in the white communities compounded and passed to future generations.

Even after these racially exclusionary policies were eliminated, the lack of wealth in the black American community still prevented minorities from moving up to the green/good neighborhoods and subsequently kept the communities separated by race.

So many things contribute to this racial divide and wealth gap I simply don't have the time today to discuss all the layers: a racially skewed criminal justice system; mass incarceration; lack of education; underemployment and unemployment; taxes favoring the wealthy, etc.

It's no secret that these facts and numbers often lay heavily on my heart. And so, I want to include just a few findings that point to the resilience and determination of blacks even in the most unjust of economic systems.

- By the year 1900 nearly 22 percent of African-American male household heads owned their homes. Considered to be a great achievement considering that in 1870, their wealth measured zero.
- In Manning Marable's book *How Capitalism Underdeveloped Black America*, he points out the following: Black capitalist success stories actually multiplied as Jim Crow restrictions rose.
- In fact, the total number of black owned businesses in the U.S. doubled in a little more than a decade, reaching 40,000 between 1900 and 1914 (Marable, 129).
- In 2017, 87% of blacks ages 25 and older had a high school diploma or equivalent.
- In 2018 African American college graduation hit an all time high.

There are two African-Americans I want to spotlight as having ideas that could positively impact the injustice of our economic system.

Sadie Tanner Mossell Alexander (1898-1989), the first African American woman to receive a PhD in economics in the U.S. in 1921 and the first to receive a law degree from the University of Pennsylvania law school. She was not a practicing economist due to gender and racial obstacles, but she still shared her economic perspectives on government employment, and many find her perspectives to be applicable today. Sadie Alexander was the first economist to recommend

a government jobs guarantee in the US decades before it caught on with other economists, according to Nina Banks at the Institute for New Economic Thinking (Feb 2019).

The jobs program would address a number of problems including involuntary unemployment, low compensation levels, and labor market discrimination. Many contemporary economists have endorsed this idea, and it is something to consider when imagining a better world for all of us. Nina Banks in her article, “The Black Woman Economist Who Pioneered a Federal Jobs Guarantee” quotes Alexander saying, “I hold it the obligation of every American to remove those inequities which have crept into our national life and caused men to fear want and to fear each other.”

I also want to lift up Rev. Dr. Delman Coates, an African - American Christian minister who has served as the Senior Pastor of Mt. Ennon Baptist Church, located in Clinton, Maryland. Rev. Delman Coates is a graduate of Morehouse College, Harvard Divinity School, and Columbia University. He recently founded an organization called Our Money that advocates for economic justice and re-legitimizing the power of money creation for the benefit of the public. He is also a good friend of one of my economics professors from Denison University who sits on the board of this organization. Rev. Dr. Coates is considered a current rising star in the realm of advocating for economic justice in our society today.

I leave you with this last story: There was a man living with his family some fifteen or so years after the ending of slavery, in Alabama. He was a successful entrepreneur, a mulatto man operating several businesses, including a cotton gin, a sawmill, and a blacksmith shop. Some of his white business counterparts wanted to buy his business/land and home. He refused to sell.

The white men who wanted his businesses and land, got angry, murdered him and set his home on fire.

The name of the mulatto business man was William (Bill) Conley, he was married to Rachel Conley and they had four children. He was my grandfather's great uncle. In the face of adversity, my family is still here, William paid in blood for his, our, and my future success. He lost his life for economic justice, likely knowing what his resistance would cost.

Let us continue forward, let us come together to find solutions for economic injustice and systemic racism. Let us be the Body of Christ and do it together, as Anthony said last week, we can resist the darkness in many ways. Let's choose to resist with love, with abundant giving, and with the intent to create an economic system that nourishes us all.

Amen.

Resources for your further exploration:

Our Money Campaign: <https://www.ourmoneyus.org/>

The Racial Wealth Gap. Netflix: Explained, series.

<https://www.netflix.com/title/80216752?s=a&trkid=13747225&t=cp>

How the Other Half Banks: Exclusion, Exploitation, and the Threat to Democracy. By: Mehrsa Baradaran.

Beyond Broke: Why Closing the Racial Wealth Gap is a Priority for National Economic Security. By: Avis Jones-DeWeever, Darrick Hamilton, Maya Rockey Moore, Rebecca Tippet, and William Darity, Jr.

Discriminatory penalties at the intersection of race and gender in the United States. By: Mark Paul, Darrick Hamilton, and William Darity, Jr.

How “Baby Bonds” Could Help Close the Wealth Gap; Ted talk by Darrick Hamilton. [Ted.com/YouTube.com](https://ted.com/YouTube.com)

“Working Hard Ain’t Enough for Black Americans”—Dr. Darrick Hamilton, <https://youtu.be/l1I-LWH9ZcU>

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