‘Black communities have been robbed’: Will reparations for black Americans finally get real consideration?

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Protests over George Floyd’s death have also come to channel anger and despair over broader inequalities that black people have long faced in the U.S.

George Floyd was the initial impetus for the largely peaceful protests that unfolded in recent days. MARK FELIX/AFP VIA GETTY IMAGES

The death of George Floyd and the coronavirus pandemic’s racial disparities have put historic inequalities shouldered by black Americans in starker relief than ever before — and some advocates say they point to a long-overdue consideration of reparations.

“It is time to really have a serious conversation about restoring the wealth that’s been extracted by racism,” Andre Perry, a fellow at the center-left Brookings Institution’s Metropolitan Policy Program and
co-author of the April report “Why we need reparations for Black Americans,” told MarketWatch.

Perry, who’s nearing 50, said he couldn’t recall another time when the country was “this close” to advancing on the issue of reparations.

“It’s becoming more and more obvious that black communities have been robbed of the money that they’re owed from slavery, from Jim Crow racism and from systemic racism in things like housing and criminal justice,” he said. “You can call it reparations, but at the end of the day, it’s about giving people what they’re owed and what’s needed in order to make communities less vulnerable to economic shocks and policy disasters in the future.”

Perry isn’t the only one sounding the call for reparations. Black Entertainment Television (BET) founder Bob Johnson last week called for $14 trillion in reparations to atone for slavery, government-sponsored discrimination and “permanent emotional trauma” experienced by black Americans. The proposed reparations, he said in a statement, would take the form of direct cash payments over 10 to 20 years to descendants of African-American enslaved people.

“This is definitely the moment,” Nkechi Taifa, a human-rights attorney and decades-long reparations advocate, told MarketWatch. “People are really mad; they’re upset; they are outraged,” she said.

“When those things are in people’s minds, they begin to think out of the box,” she added. “They begin to get a little bit more creative.” She said she had seen a “sea change” in mainstream civil-rights and advocacy organizations embracing the idea over the past couple of years.

Protests over George Floyd’s death symbolize more than police brutality

Floyd, a black man who died after a white Minneapolis police officer was filmed pressing his knee to Floyd’s neck for nearly nine minutes, was the initial impetus for the largely peaceful protests that unfolded in recent days. But the demonstrations have also come to channel anger and despair over broader discrimination and structural inequalities that black Americans have long faced in this country — including the fact that they account for a disproportionate share of people killed by police.

Meanwhile, the average white household in the United States has about 10 times the wealth of the average black household, according to the Federal Reserve’s Survey of Consumer Finances, the cumulative result of factors such as redlining, housing and lending discrimination, and a limited ability to...
benefit from policies like the GI Bill. The median annual income among black Americans is about $42,000, compared to white Americans’ roughly $71,000. Black people are more likely to be uninsured and to live in poverty.

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— The Federal Reserve’s Survey of Consumer Finances

The coronavirus pandemic has only compounded these disparities: African-American COVID-19 patients bear a disproportionate share of illness and death from the disease, studies show, and they are overrepresented in essential jobs that require leaving home for work.

And despite a better-than-expected May jobless rate, black people saw their unemployment rate inch up from 16.7% to 16.8%, while white people’s unemployment rate dipped from 14.2% to 12.4%, according to Labor Department numbers released Friday. Floyd himself had reportedly lost his job due to Minnesota’s shutdown.

“If the progressive platforms that come out of these protests do not contain a clear call for reparations, it will be hard to take them seriously,” Nikole Hannah-Jones, a New York Times Magazine reporter whose “1619 Project” about the legacy of slavery won a Pulitzer Prize this year, wrote on Twitter TWTR, +5.07%.

‘That promise was never fulfilled’

Public support for reparations remained relatively low as of last year: Just 29% of Americans said they believed the government should make cash payments to black Americans descended from slaves, according to a Gallup poll published last July, with black Americans (73%) far more likely than white Americans (16%) or Hispanic Americans (47%) to support the idea. Despite low overall support for this model of reparations, the share in favor has grown over time: In 2002, only 14% of Americans polled by Gallup backed the idea.
Younger adults are substantially more likely than older adults to support both an official apology from the federal government for slavery and reparations in the form of cash payments, according to an AP-NORC poll conducted in September.

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Rep. Sheila Jackson Lee, a Texas Democrat, early last year reintroduced House bill H.R. 40, which would establish a commission to study reparations proposals for African Americans. The legislation, repeatedly introduced by the late Michigan Democratic Rep. John Conyers since 1989, was the subject of a June 19, 2019 congressional hearing that included testimony from writer Ta-Nehisi Coates, actor Danny Glover and then-presidential candidate Sen. Cory Booker, a New Jersey Democrat who also introduced a Senate companion bill.

Nearly every 2020 Democratic presidential hopeful, including presumptive nominee Joe Biden, eventually backed the idea of studying potential reparations proposals. During a campaign event last week, Delaware state Sen. Darius Brown pushed Biden to actually fund reparations rather than study them, the Washington Post reported.

A number of smaller efforts to consider reparations have also sprung up in recent years. Schools including Georgetown University have examined their legacies of slavery and sought to compensate descendants of enslaved people through various means. A bill in California seeks to launch a task force to recommend reparations plans, while the Evanston, Ill., city council has committed to putting tax revenue from recreational cannabis sales toward reparations.

Duke University economist William Darity, a leading proponent of reparations, said he believed there had been momentum building recently for the idea to receive serious consideration.

“The reaction to the recognition of the types of atrocities that are associated with police brutality may swing the pendulum further in that direction,” Darity said. “I'm not certain, but one might view this as a more hopeful moment than any other that we have had since the aftermath of the Civil War, when the formerly enslaved were promised 40-acre land grants, but that promise was never fulfilled.”

Darity speculated that if those 40-acre allocations had been made, and formerly enslaved people had been protected in their ownership of that property, “we may not have needed to have a conversation about reparations today — because that was the beginning of the construction of the black-white wealth gap in the United States.”
‘In trying to change the past, you can end up really messing with the present’

President Trump said last year he thought the prospect of reparations was “a very unusual thing.” “It’s been a very interesting debate,” he told The Hill. “I don’t see it happening, no.” The most powerful Republican in Congress, Kentucky Sen. Mitch McConnell, has said he believes reparations aren’t a “good idea” and that “no one currently alive was responsible for that.”

Some prominent black voices, including Sen. Tim Scott of South Carolina, have also rejected the idea. “I don’t think reparations help level the playing field — it might help more eruptions on the playing field,” he told Fox News in response to the proposal by Johnson, the BET founder.

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— Duke University economist William Darity

Burgess Owens, a former NFL player now running as a Republican to represent Utah’s 4th congressional district, argued that the reparations movement was premised on “a divisive and demeaning view of both races” in a 2019 Wall Street Journal op-ed headlined “I Didn’t Earn Slavery Reparations, and I Don’t Want Them.”

And Coleman Hughes, a fellow at the conservative Manhattan Institute and contributing editor for City Journal who testified against H.R. 40 during the June 19, 2019 hearing, said talk of reparations right now
would be a “distraction” from the real issues of racism and police brutality.

“George Floyd will lead to reparations getting taken more seriously, but I don’t think that’s a good thing,” he told MarketWatch. “We could get reparations tomorrow, and all the problems that led to [the death of] George Floyd would remain — so what we need to do is focus on those reforms to the police that would actually prevent such a thing from happening again.”

Hughes said he agreed with the idea of reparations for people who grew up experiencing Jim Crow-era segregation. When the victims of such injustices are still alive, he said, “then as a matter of principle, I think it’s always OK to give them reparations checks if they’re demanding it.” But many black Americans alive today learned about slavery and legal segregation from their schools, parents or grandparents rather than experiencing them firsthand, he said. The median age of black people in the U.S. was 34 in 2018, according to the Pew Research Center.

“The moral enormity of slavery is such that you cannot make this feel like a closed wound, except by accepting that you cannot change the past,” Hughes said. “The problem is that in trying to change the past, you can end up really messing with the present — or failing to focus on the things about the present that you can change.”

What reparations could actually look like

Reparations for injustices committed against groups of people aren’t without precedent, many advocates point out. Germany, for example, has paid billions of dollars in reparations to Holocaust survivors over the past several decades.

The U.S. has its own examples: In 1988, the federal government issued an apology and $1.6 billion to Japanese Americans who were incarcerated during World War II. The government also compensated Native American tribes whose land it had seized, though critics say Native Americans didn’t receive direct control of the money.

Proposals for reparations for black Americans have taken a variety of forms. University of San Diego Law School professor Roy Brooks has proposed an “atonement model” that includes cash payments as a small component but puts “rehabilitative reparations” — that is, addressing racial disparities in homeownership, wealth and educational funding — at the forefront.

‘The government always finds the capacity to fund anything that it has a will to fund.’

— William Darity, a Duke University economist

In their April paper, Perry and his co-author, Brookings fellow Rashawn Ray, called for a federal reparations package that includes individual payments, college tuition, student loan forgiveness, down-
payment and housing-revitalization grants, and business grants for descendants of enslaved black Americans.

“This reparations package for Black Americans is about restoring the wealth that has been extracted from black people and communities,” they wrote. “Still, reparations are all for naught without enforcement of anti-discrimination policies that remove barriers to economic mobility and wealth building.”

Darity’s proposal, meanwhile, is premised on the idea that reparations are not exclusively for slavery but also for legal segregation and post-Civil Rights Act mass incarceration; police killings of unarmed black people; credit, housing and employment discrimination; and the racial wealth gap. He believes that for both “symbolic and substantive reasons, a major portion of any reparations fund should constitute direct payments to eligible recipients.”

“We think that’s the most effective way to erase the racial wealth gap,” he said. “Using intermediate programs or intermediate institutions potentially leads to dilution of the allocation of the funds, and probably limits the extent to which they will actually reduce or eliminate the racial wealth gap.”

In a paper published last week by the progressive Roosevelt Institute, Darity and his frequent collaborator, writer A. Kirsten Mullen, estimated this would require a federal expenditure of $10 trillion to $12 trillion in 2016 dollars to eligible recipients. Darity said one potential issue would be how to structure the payments so they didn’t trigger a significant amount of inflation.

Eligible recipients, the co-authors argue, should be individuals who can demonstrate that they have at least one ancestor who was enslaved in the U.S. and that they’ve self-identified as black, African American or negro on an official document for at least 12 years prior — in Darity’s words, “descendants who have a direct claim on an unmet promise.” (This approach is controversial with many activists who believe that descendants of black immigrants, who may also have experienced discrimination, should not be excluded.)

As for the usual question of where the money for such a large-scale program would come from, Darity said, “I’m amazed that anybody still asks that in light of the way in which the government has mobilized expenditures in the midst of the coronavirus crisis.” “The government always finds the capacity to fund anything that it has a will to fund,” he said.

Perry, for his part, argues that a rising tide lifts all boats: Addressing injustices against black people will improve outcomes for all Americans, he said. If the coronavirus crisis has demonstrated anything, he added, it’s that our fates are linked with those of our neighbors.
“This COVID moment really showed that a few months of stalling one's chances at the American dream can set entire communities on their head,” Perry said. “Try decades of that, generations of that.”

Clinging to ‘pura vida’: Costa Rica is known for its beaches and volcanoes — and now a worrying spike in COVID cases, too