Biden Offers Big Government Plan to Address Racial Inequality

Democratic candidate embraces new spending and initiatives, contrasting with Trump’s market-oriented approach

By Jacob M. Schlesinger
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Joe Biden is laying out a multipronged plan to address longstanding racial inequality, proposing hundreds of billions of dollars in new federal spending on housing, education, health care and business capital for Black Americans.

The presumptive Democratic presidential nominee’s program features a substantial boost in funds for colleges with predominantly black enrollment, a new agency that would compete with private credit-ratings firms and rules aimed at ensuring fairness in lending, along with vows of tougher enforcement of antidiscrimination regulations.

Mr. Biden’s plan to address what he frequently calls “systemic racism” is grafted onto nearly all aspects of the $7 trillion-plus in new federal spending that the former vice president has proposed for the next 10 years, according to campaign and think-tank
estimates. That is triple the new spending that Democratic nominee Hillary Clinton proposed in her 2016 campaign for president.

The Biden campaign has specified about $4 trillion in tax increases to help pay for his proposals, chiefly by raising rates on corporations, investments and high earners. President Trump has warned the big tax hikes would snuff out any signs of economic recovery from the coronavirus downturn. Other critics worry the plans will exacerbate the record government deficits resulting from Mr. Trump’s 2017 tax cuts and the massive pandemic spending.

 Persistent Disparities
Protests in the wake of George Floyd’s killing have prompted policy makers to re-examine longstanding gaps between Black and white Americans in employment and wealth.

Unemployment rate, by race

![Diagram showing unemployment rate by race over time](https://www.wsj.com/articles/biden-offers-big-government-plan-to-address-racial-inequality-11594648806?st=1eserjdxbbmody&reflink=article_email_s... 2/9)
Mr. Trump says he favors more market-oriented approaches to address inequality, arguing the prepandemic tight labor market did more for Black workers than decades of government spending and regulation. He also calls many existing policies intended to curb discrimination overly burdensome for local governments and the economy. In one recent tweet explaining his attempts to roll back an Obama-era “fair housing” rule, the president said it harms the ”many great Americans who live in the Suburbs.”
“It’s comical to think that Vice President Biden thinks his far-left agenda will resonate with voters,” says Katrina Pierson, a senior adviser to Mr. Trump’s re-election campaign. “During this administration, Black Americans reached record levels of success.”

In scope, Mr. Biden’s plans reflect Democrats’ renewed comfort with big government and policies tailored to address minority issues, drawing fresh impetus from recent racial justice protests across the nation. They further underscore the party’s return toward the 1960s-style progressivism of Lyndon B. Johnson’s Great Society that its leaders have de-emphasized over the past four decades.

While most Black political organizations say they prefer Mr. Biden’s approach, some give tepid reviews to his “Lift Every Voice: The Biden Plan for Black America,” named for the song widely called “the Black national anthem.” They say it relies too heavily on past approaches that have failed to narrow employment, income and wealth gaps between Black and white households—albeit earmarking considerably more money for those approaches. They prefer policies put forth by some of Mr. Biden’s former rivals for the Democratic nomination, such as government-funded savings accounts for newborns, dubbed “baby bonds,” which aim more directly to redistribute wealth. The Biden campaign has recently suggested it may ultimately endorse that policy.

“There were some really important proposals from the other candidates that we’d like to see the Biden campaign take on,” says Judy Lubin, president of the Center for Urban and Racial Equity, a Washington research and advocacy organization. In February with primary elections under way, her group issued a “racial justice” report card on the Democratic candidates, and gave Mr. Biden a D, compared with an A-minus for Sens. Elizabeth Warren and Bernie Sanders, and a B-plus for former South Bend, Ind., Mayor Pete Buttigieg. Mr. Biden’s heightened race emphasis since then would now “probably get him a C-plus or a B-minus,” she adds.
Biden’s Budget
The presumptive Democratic presidential nominee has proposed trillions of dollars in new government spending over 10 years, much of which he says will help address racial inequality.

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Amid the national soul-searching on race since George Floyd’s late-May killing by a Minneapolis police officer, protesters and policy makers have focused primarily on law-enforcement reforms. Mr. Biden—who has expressed regret for shaping 1990s tough-on-crime legislation that detractors say led to mass incarceration, especially among Blacks—has supported some police reforms but opposes calls to defund police departments.

Mr. Biden has joined efforts to steer the discussion into a broader re-examination of persistent disparities between the races in opportunity and wealth.

“We need a comprehensive agenda for racial equity in this country. This isn’t just about police reform,” the candidate said in an economic policy speech Thursday.

In that speech, at a Pennsylvania metal-works factory, Mr. Biden laid out his plans to try to return manufacturing jobs to the U.S. from overseas. In the coming weeks, he will unveil plans promoting clean energy and boosting child and elder care. Nearly all of those proposals, the candidate and his aides say, will contain a racial equity element.
Most of Mr. Biden’s new spending would assist all lower and middle-income families regardless of race, so it is unclear how much would actually end up with Black households. That includes his priciest items, such as expanding access to government-backed health insurance.

“This is truly a set of policies to ‘lift every voice,’ not necessarily Black voices,” says Duke economist William A. Darity Jr., an expert on the racial wealth gap. “However desirable these initiatives, they can have only limited effects on Black-white wealth differentials.”

The Biden plan targets some funding directly to minority families and communities. He proposes $70 billion in additional federal money for historically Black colleges and universities and minority-serving institutions, up sharply from current levels. He vows to eliminate the estimated $23 billion annual budget gap between public K-12 schools in white and nonwhite neighborhoods. He would spend $100 billion building new affordable housing units. Believing that expanding Black small business is crucial to building Black wealth, Mr. Biden offers measures to improve access to capital for those companies.

Many Biden proposals aren’t new, but rather would restore rules adopted in the Obama administration that President Trump has since scaled back—among them, regulations to fight discrimination in housing.

Some activists praise parts of the Biden plan as innovative, pointing to a proposal to create a new government agency issuing consumer-credit scores to individuals and new regulations on housing appraisers. The campaign cites studies concluding that private companies in those sectors amplify racial financial disparities by using formulas that tend to give Black households lower credit ratings and Black neighborhoods lower housing values.

Mr. Biden supports legislation to create a commission studying possible reparations for slavery and the century of legal discrimination that followed. He would be the first presidential nominee from either party to back that bill, which has been introduced in the House every congressional session since 1989.

“This is the first time in my memory that a general-election candidate has put together a specific plan for Black America,” says Marc Morial, president of the National Urban League, a civil-rights group, adding that he has been involved in presidential politics since 1984. “This is a significant statement for a presidential candidate to make—that race-neutral policies aren’t enough to end race-based disparities.”
The Biden plan highlights the Democratic Party’s growing willingness in recent years to address openly race-related issues. Many political analysts trace that pivot to the 2013 launch of the increasingly influential Black Lives Matter movement. The party platforms for the 2008 and 2012 Obama-Biden tickets never mentioned the word “racism.” Mrs. Clinton’s 2016 platform used it seven times. In a 1994 Pew Research Center poll, just 39% of Democrats said they felt racial discrimination was “the main reason why many Black people can’t get ahead.” When Pew asked the question again in 2017, that number had jumped to 64%.

For Republicans, the figure fell over that 23-year period—from 26% to 14%, showing the partisan disparities in perception of racial issues. A separate 2019 Pew poll found that 64% of Democrats felt the country had not gone far enough to give Black people equal rights, while 84% of Republicans said it had done enough or gone too far. Seventy-eight percent of Democrats said the country didn’t pay enough attention to racial discrimination, while 77% of Republicans said the “bigger problem” was “seeing discrimination where it does not exist.”

While Mr. Biden has moved to address racial inequality more explicitly than Democratic leaders have done in the recent past, he has so far declined to embrace more sweeping prescriptions from more-progressive Democrats that would tailor aid more directly to Black families and seek to offer redress for past discrimination. Massachusetts Sen. Warren and California Sen. Kamala Harris—both considered to be on the shortlist of vice presidential candidates—proposed subsidies for home buyers in minority-dominated neighborhoods long denied mortgages through discriminatory policies known as redlining.

“The Biden plan is a great first step,” says Dorian Warren, president of Community Change, a national organization advocating for low-income populations of color. “But it doesn’t get to the scale of the problem,” he says. “I do hope it will evolve to speak to the moment.”

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Do you think Joe Biden’s proposed plan could help address longstanding racial inequality? Why or why not? Join the conversation below.