THE COLOR OF LAW, THE COLOR OF MONEY
RESTORATIVE SOLUTIONS TO REDRESS THE
RACIAL WEALTH GAP

Darrick Hamilton
Executive Director of the Kirwan Institute for the Study of Race and Ethnicity

Tynesia Boyea-Robinson
Founder and CEO of CapEQ

Cecily Joseph
Net Impact Board Chair

AUGUST 27th 11:30 AM PDT
Racial Wealth Gap
Conversation
THE RACIAL WEALTH GAP

TO CREATE AN ECONOMY THAT WORKS FOR ALL OF US, WE NEED TO UNDERSTAND AND ADDRESS RACIAL WEALTH INEQUALITY

Only half of Americans realize that there is a wide gap in financial well-being between White households and households of color, and even fewer realize that the problem is deeper than income inequality.

THE INCOME GAP BETWEEN BLACK AND WHITE HOUSEHOLDS IS A BIG PROBLEM, BUT THE WEALTH GAP BETWEEN THESE GROUPS IS AN EVEN BIGGER PROBLEM

MEDIAN HOUSEHOLD INCOME AND WEALTH, 2016

<table>
<thead>
<tr>
<th>INCOME GAP</th>
<th>WEALTH GAP</th>
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<tbody>
<tr>
<td><strong>Income</strong> = The wages earned from a job or from capital gains</td>
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<tr>
<td><strong>Wealth</strong> = The sum of one's assets minus their debts</td>
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- **Income**
  - Black: $35K
  - White: $61K
  - 42%

- **Wealth**
  - Black: $17K
  - White: $171K
  - 90%
“Path 15-55”, with Tynesia Boyea-Robinson
BUSINESS OWNERSHIP

Workforce Development

Home Ownership

Education
Black Business Owners Are 12X WEALTHIER Than Their Peers

Source: Tapestry of Black Businesses in America
1 in 5 Black People Are Employed By Black Businesses

Source: Tapestry of Black Businesses in America
BLACK BUSINESS OWNERS LACK ACCESS TO CREDIT CAPITAL TRUST

Source: Tapestry of Black Businesses in America
PATH TO
15
55

www.pathto1555.org
PATH TO 15 55

15% BLACK BUSINESS OWNERS HIRE AT LEAST ONE EMPLOYEE

$55B ADDED REVENUE TO THE U.S. ECONOMY

JOBS

Source: Tapestry of Black Businesses in America
GROW EXISTING BUSINESSES
INVEST IN INTERCONNECTED SYSTEMS
REIMAGINE THE POSSIBILITIES
OUR STRATEGIC PLAN

BOLD GOAL

GROW AT LEAST 15% OF BLACK BUSINESSES, CREATE 600,000+ NEW JOBS, AND ADD $55 BILLION TO THE U.S. ECONOMY

STRATEGIES

GROW EXISTING BUSINESS

INVEST IN INTERCONNECTED SYSTEMS

REIMAGINE THE POSSIBILITIES

KEY PERFORMANCE INDICATORS

Job Growth
• # of Jobs in BBOs

Revenue Growth
• % Increase in BBO Revenue

Remove Barriers to Capital:
• #/% BBO friendly leaders in positions of power and influence
• #/%/$$ of AUM controlled by black institutions & individuals
• #/$ Capital Products for BBOs

Policy and Political Accountability
• $ Resulted from BBO friendly policies

Capacity Building for Low Growth Industries
• # of BBO reinvestment in black community
• #/% Early stage capital invested in BBOs
• # of BBOs converted to high growth industries

Shifting the Narrative
• # of investors that believe in BBO
PARTNER WITH US

If you're a government agency, non-profit, financial institution, or investor looking for real, approachable solutions to accelerate Black business growth, we invite you to join us on this path.

PATHTO1555@CAPEQIMPACT.COM
PATH TO
15x55

www.PathTo1555.org
“Baby Bonds”, with Darrick Hamilton

Baby bonds are federally endowed and managed accounts set up at birth. These funds grow over time and can be used for education, buying a home, or starting a business.

Wealth Concentration Widens the Racial Wealth Divide.

Significantly raising taxes on the ultra-wealthy would generate the necessary revenue for more fair and equitable wealth building programs.
Calls to Action

- UnderSTAND the gaps - familiarize yourself with the racial wealth gap and the effect it has on your fellow Americans
- STAND in YOUR gaps - understand how you've benefited from and/or been challenged by the racial wealth gaps
- STAND in THE gaps - focus on the aspect of the racial wealth gap that aligns with your learning journey
Skills-building workshop, with Tynesia Boyea-Robinson
American Capitalism: What is it good for?
AGENDA

1. Welcome and Overview
2. American Capitalism: The Good, Bad and Ugly
3. What’s Your CapEQ™?
4. System change exercise
5. Closing Reflections

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capitalism  
\textit{noun}

\textit{kap\textael iz\textom}:

an economic and political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state.

income  
\textit{noun}

\textit{in\textcom}:

money received, especially on a regular basis, for work or through investments.
**wealth** *noun*

\[\text{welTH}\]

: an abundance of valuable possessions or money.

**ARCHAIC**

well-being; prosperity.
Capitalism & Emotional Intelligence (EQ) Equity

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Abundance vs Scarcity
Capitalism & Emotional Intelligence (EQ)

EQ^T

Equity

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What’s Your CapEQ™?
Six Conditions of Systems Change

- Structural Change (explicit)
- Relational Change (semi-explicit)
- Transformative Change (implicit)

- Policies
- Practices
- Resource Flows
- Relationships & Connections
- Power Dynamics
- Mental Models

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What’s Your CapEQ™?
American Capitalism

Current state

Mental Model Shifts
- Scarcity to abundance
- Hero to community
- Competition to collaboration

Challenges
- American capitalism was not built on freedom.
- American capitalism often denies opportunity.
- American capitalism is biased towards those in power

Strengths
- American capitalism attracts diversity
- American capitalism produces top global companies
- American capitalism enables economic resilience

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Systems Change

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### What’s Your CapEQ™

Creating future state of American Capitalism

- American capitalism was not built on freedom
- American capitalism often denies opportunity
- American capitalism is biased towards those in power
- American capitalism attracts diversity
- American capitalism produces top global companies
- American capitalism enables economic resilience

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<tbody>
<tr>
<td>Scarcity/Abundance</td>
<td>&lt;40 hour work week</td>
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<td>Heroic Individuals / Interconnected</td>
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<td>Engaging clients to drive change</td>
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<tr>
<td>Communities</td>
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<tr>
<td>Competition/Collaboration</td>
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<td>Develop active feedback loop with all stakeholders</td>
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 COMMITMENT

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Thanks and Let’s Connect!

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Net Impact Social:

- facebook.com/netimpact
- twitter.com/netimpact
- linkedin.com/company/net-impact
- youtube.com/netimpact
- instagram.com/netimpact

Event Hashtag:

- #racialwealthgap
Clinician & Chat Room
Resources
Books

- *Weapons of Math Destruction: How Big Data Increases Inequality and Threatens Democracy*
  - Cathy O'Neil
- *The Color of Money: Black Banks and the Racial Wealth Gap*
  - Mehrsa Baradaran
- *Winners Take All: The Elite Charade of Changing the World*
  - Anand Giridharadas
- *Decolonizing Wealth*
  - Edgar Villanueva
- *Just Giving*
  - Rob Reich
- *Breaking Robert’s Rules: The New Way to Run Your Meeting, Build Consensus, and Get Results*
  - Jeffrey L. Cruikshank and Lawrence Susskind
- *Just Change: How to Collaborate for Lasting Impact*
  - Tynesia Boyea-Robinson
- *Empire of Cotton: a global history*
  - Sven Beckert
Websites and Articles

- pathto1555.org, PATHTO1555@CAPEQIMPACT.COM
- ureeka.biz
- splcenter.org/20180131/teaching-hard-history
- missiondrivenfinance.com/resources/5-things-to-know-about-getting-an-impact-based-loan-for-your-business/
- delcidconsulting.com/event-details/careers-in-sustainable-finance
- nonprofitquarterly.org/liberatory-philanthropy-restorative-investing-remake-economy-2020/
- raceforward.org/practice/tools/racial-equity-impact-assessment-toolkit
- usblackchambers.org/
- shoppeblack.us/
- raceforward.org/practice/tools/racial-equity-impact-assessment-toolkit
- thecommunityinvestment.org
- gridalternatives.org
- mycnote.com/
- optus.bank/

- indianaqfoods.org/
- officialblackwallstreet.com/directory/
- myblackreceipt.com/blackbizlist/
- theselc.co/cooperatives
- thetwohundred.org/
- demos.org/campaign/race-class-narrative-project
- wellandgood.com/anti-racism-workshops-classes/
- visualcapitalist.com/chart-assets-make-wealth/
- linkedin.com/posts/yangbodu_transforming-ict-for-gender-equality-marcelle-activity-6688824359349444608-mclh
- cwba.world
- medium.com/@elpidasocialcapital
- webreprints.direprints.com/56972.html
Join us for our next event:

Designing for All: Bridging the Digital Divide
- Speakers:
  - Ebonee Younger, Product Manager, Cox Enterprises
  - Caryl Stern, E.D., Walton Family Foundation
  - Mohan Sivaloganathan, Net Impact Board Member and CEO, Our Turn
- Thursday, October 8th
  - 10:00 am PDT/1:00 pm EDT
- Register Now: netimpact.org/events/designing-for-all-bridging-the-digital-divide

Join a Net Impact Chapter!
- Each Chapter is a like-minded community committed to making a lasting social and environmental impact
- Find a Chapter near you: netimpact.org/chapters/search