

WASHING AWAY THE VEIL: KATRINA AND THE RACIAL WEALTH DIVIDE

WHAT COUNTS TODAY, THE QUESTION WHICH IS LOOMING ON THE HORIZON IS THE NEED FOR A RE-DISTRIBUTION OF WEALTH. HUMANITY MUST REPLY TO THIS QUESTION, OR BE SHAKEN TO PIECES BY IT.

FRANTZ FANON, *THE WRETCHED OF THE EARTH*

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By Chaka A. K. Uzongu

Racial wealth inequality continues to deeply shape the United States. Hurricane Katrina should have made this clear for those who previously refused to see. With destructive clarity, Hurricane Katrina highlighted the deep racial fault lines. We have been shaken.

Natural disasters are not race conscious; they do not discriminate. So, in this sense race did not and does not matter. Whether Native American, African American, Mexican, Honduran, Vietnamese, or white, hurricane Katrina has devastated the lives of those affected. And all human suffering is saddening.

Yet, to argue that race does not matter is to reject reality. Race does matter. The media coverage has been racially coded. This is why African-Americans searching for food are criminalized as “looters,” while whites doing the same are reported in the media as “finding food.” Watching TV, one could not fail to notice that the majority of people left in New Orleans to face the wrath of Katrina were African Americans. The media did not have to be “embedded” for the world to see that the citizens abandoned and left to fend for themselves at the Superdome and the Convention Center without food and water were African Americans. And even the mainstream media was compelled to wonder whether the response would have been quicker and much more comprehensive if most of the people left on the roofs had been mostly white.

Yet whether or not George Bush cares about the wellbeing of African-Americans is not the main issue, although Kanye West may be correct. The greater devastation suffered by African-Americans was not only due to the bad attitudes of individuals. Rather, conscious political choices over many years produced the racially biased suffering in the aftermath of Hurricane Katrina. These political choices should surprise no one. It is obvious that white supremacy, as a political system, remains central to US society. In a white supremacist society, the distribution of privileges and burdens, resources and responsibilities remain tied to whiteness or the lack thereof. If you are not of the white race, you are more likely to be poor. Not just income poor, but asset poor, and those with minimal assets are the ones who are least able to weather life’s storms, and who suffer most during these particularly disastrous times. They are the ones who are more likely to have difficulty in reconstructing their lives. This is why we should focus our attention on the growing racial wealth inequality.

Long before Katrina, racial wealth/income inequality undermined the quality of lives of African-Americans in Louisiana. For like the rest of the country, Louisiana is plagued by the deepening racial economic divide. In Louisiana, the average income for African-Americans is \$21,461, while that of whites is \$40,049. While African-Americans comprise 31.5% of the population in Louisiana, 69% of the children in poverty are African-Americans. Additionally, compared to white women, African-American women are twice as likely not to have health care. It is no surprise, then, that the majority of those left behind to face Hurricane Katrina were African-Americans, Mexicans, Hondurans, and other people of color. The class position of these people is intertwined with race. In Louisiana, the state with the second highest rates on inequality in the country, it is clear that race (and class) matters.

But if you think that racial economic inequality is peculiar to the south, think again. It is the norm nationwide. By the standard (and limited) measure of income, racial inequality is readily apparent. The typical African-American family makes 59 cents for every dollar earned by the typical white household. The wealth divide is even greater. In 2001, the

median household net worth of the typical white family was \$121,000, while for the typical African-American family it is \$19,000. This means that Blacks have less than 16 cents for every dollar of assets held by a typical white household. In other words, there is a \$102,000 net worth penalty for being Black.

Hurricane Katrina made the burden of this penalty immediately accessible. The veil was washed away. The folks of color in New Orleans, Biloxi, Mobile, etc. who had no savings accounts, no insured homes, no other sources of income besides a low paying job, and no health or retirement security suffered from the combined forces of malignant government neglect, systematic corporate plunder, and deeply rooted racial wealth and income inequality. By revealing all of these factors, Hurricane Katrina is forcing the society to grapple with the cost of being poor, a person of color, and/or an immigrant. Critically, Hurricane Katrina rendered particularly visible — the cost of being asset poor and Black.

Yet, the mantra — race does not matter — is repeated. Many whites are rejecting race as a factor in inequality and in the government's response to Hurricane Katrina. According to the most recent Pew poll, while 71% of African-Americans think that racial inequality is still an issue, only 32% of whites share those sentiments. And while 66% of African-Americans believed that government response would have been faster if the victims had been white, only 17% of whites agreed. Why is this? One part of the explanation is the widespread belief in the mythology of a colorblind society. Another part of the explanation is the growing economic insecurity faced by most whites. Stuck in the logic of “zero-sum game” thinking (and racist thinking as well), many whites believe that any benefits to other people come at their expense. The unstated belief is that whites are the most important race, and they are entitled to get theirs before people of other races get any. Therefore, they remain resistant to measures to remedy racial wealth inequality.

But it need not be a zero-sum game. Most whites are not doing well in this economy. Household income has been decreasing since 2001. Wages have been stagnating. Jobs are harder to find, often pay low wages, and tend to provide minimal benefits. In this “jobless recovery,” Black unemployment rose from 7% in 2001 to 9.6% in August 2005, but white unemployment also rose, from 2.75% to 4.2%. As if economic insecurity was not already too great, the Bush Administration is attempting to privatize social security and increase pension insecurity. They also want to end the estate tax for the benefits of the super-rich at the expense of hard working people. Consequently, whites, like everyone else, are feeling the squeeze of anti-people and pro-corporation economic policies.

Finding scapegoats is not the answer. People of color are not the beneficiaries of the growing wealth/income inequality. Along with many white people who have limited incomes and wealth, they are being pushed into greater economic insecurity. In fact, people of other races are even further disadvantaged, since they continue to face barriers to wealth accumulation that compound historical disadvantages, which render them most vulnerable in times of crises. This is one of the crucial lessons that we should take from Hurricane Katrina.

So the challenge that remains is to rebuild the damaged areas without reinforcing the previous structures of racial wealth inequality. The first reconstruction at the end of the Civil War failed because it did not create a foundation for racial wealth equality. Emancipated African Americans were not provided assets they were promised: their forty acres and a mule. Further, they never received compensation for years of unpaid labor. The denied opportunities to build and accumulate wealth continue to impact the present, as Hurricane Katrina revealed. Our challenge is to reconstruct the damaged areas by prioritizing the needs of the wretched of the earth, the asset poor who are also white, but mainly Latino, Native American, and Black.

Here are some ideas, by no means new, to stimulate thought. For starters, let the super-rich fund reconstruction. Why not demand reversing the cuts in the federal estate tax nationwide, with an exemption of \$1.5 million, and increasing the top tax rate to 75%. The current tax is 47%; the additional 28% could be allocated to people centered rebuilding of the Gulf States. This tax should be highly popular since it is paid by less than 2% of US citizens.

Second, major oil corporations, like Mobil Exxon, and the many chemical companies in the New Orleans/Baton Rouge area, should be made to pay the entire cost for cleaning-up the damaged region (without government subsidies). Why? They should share in the sacrifice; the damage to their refineries was more than paid for by consumers at the pump.

While making the previous demands, why not organize for the development of comprehensive universal health care for all who reside in the United States. Doesn't it also make sense to demand the establishment of a living wage indexed CEO pay. If the minimum wage had increased at the same rate as CEO pay, from the 1990s to the present, the minimum wage today would be more than \$20.00 per hour. It would also be an ideal moment to reinstate taxes on capital gains and dividends. While these measures do not directly facilitate asset building for impoverished communities and individuals, their combined effect could help reduce the growing wealth inequality.

Remedying the deeply embedded racial wealth inequality in Louisiana would require more specific strategies. Perhaps, the first issue is to demand eminent domain rights for those that have been displaced. This could ensure that displaced citizens were guaranteed the right to return and control over land resources. It would be important to organize for a "new" Homestead Act — not the Bush Administration's version, which is geared to further the privatization of state resources, but a Homestead Act that provides land (in environmentally safe and economically viable areas) directly to and totally controlled by community organizations comprised of displaced citizens.

Along with this, it would be imperative to organize for substantive housing subsidies (financed through co-operatives and credit unions rather than commercial banks), which facilitate home ownership among the people of color in the destroyed areas (especially those who were previously renters). While these measures were being developed, why not provide subsidized rent and allow displaced citizens to live in the numerous existing vacant apartments. It also makes sense to organize efforts so that people who have incomes of less than \$20,000 dollars can be guaranteed the following: emergency relief income assistance for at least 18 months, a two year comprehensive and refundable tax credit, relocation financial packages for families, skills training and bilingual education programs, and full employment at a living wage, with comprehensive health and retirement benefits. It would also be important to demand the repeal of all legislation that forcibly repatriates and/or denies benefits to people affected by the hurricane because they lack worker authorization and/or residential status. Again, these are only some initial thoughts to stimulate discussion.

The destruction wrought by Katrina provides monumental challenges. And with these challenges comes opportunities. We can continue to accept growing economic insecurity nationwide. We can continue to accept the rights of corporate profits over people. We can continue to accept the vast racial wealth inequality. This is the easy choice; all we need do is accept the status quo.

Or we can choose human life and wellbeing over the profits of corporations. We can choose to value just pay for just work. We can choose to have a healthy and sustainable environment. We can choose to have economic security for everyone. We can choose to have racial justice. We can choose to rebuild New Orleans, Louisiana, and the Gulf states in a way that does not reproduce racial wealth inequality. We can choose to reconstruct US society so that there is greater economic democracy and social justice. These are a bit more challenging, but still attainable.

Our task is clear. We have to build a movement for wealth equality and a people centered democracy. And the most pressing issue for such a movement must be racial justice and racial wealth equality.

Chaka A.K. Uzundu is an Education Coordinator at United for a Fair Economy.

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