

The Economics of Racism

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MIT Mathematics

#ShutDownSTEM #Strike4BlackLives, June 10, 2020

Expectations

- We are not experts.
 - Our goal is to learn, and to think (hard).
 - We are all on an equal footing here.
 - The focus of this session is anti-Black structural racism.
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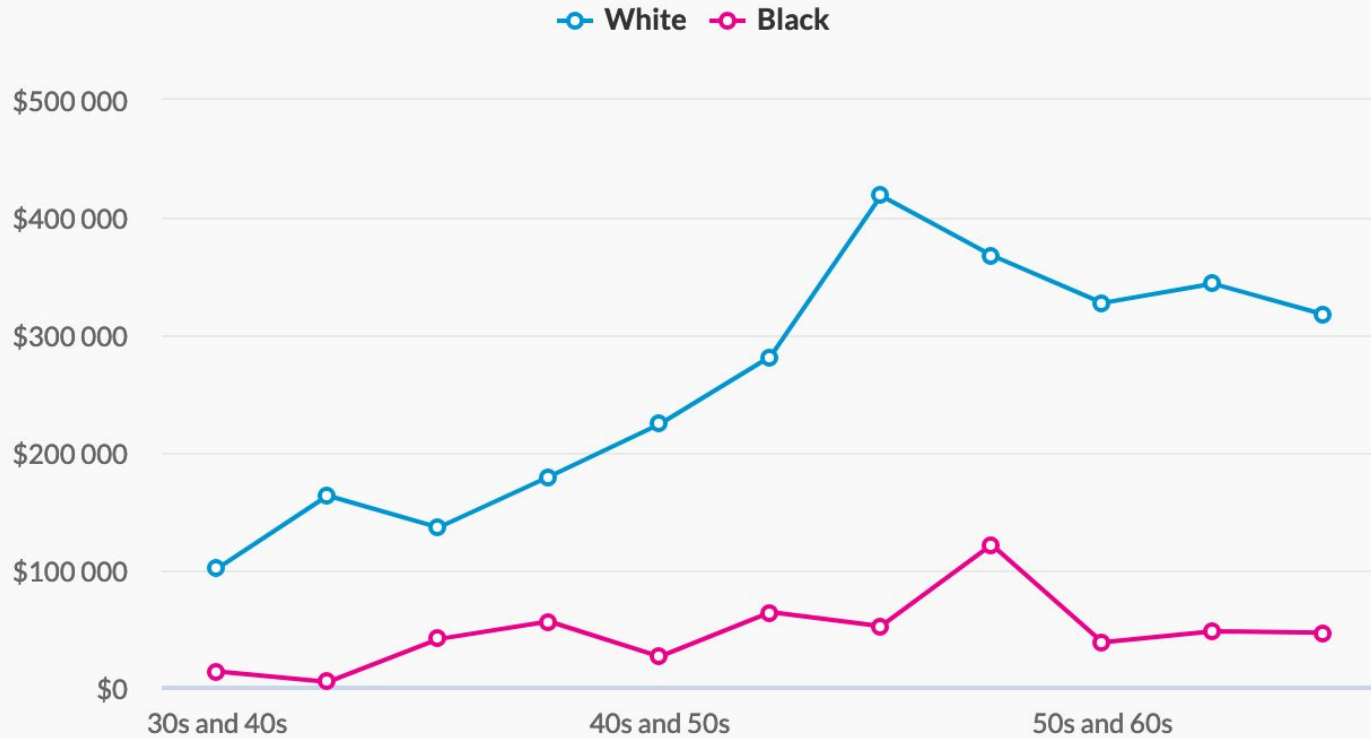
How do economic forces perpetuate racism?

Generational Wealth Transfer

Parental circumstances impact:

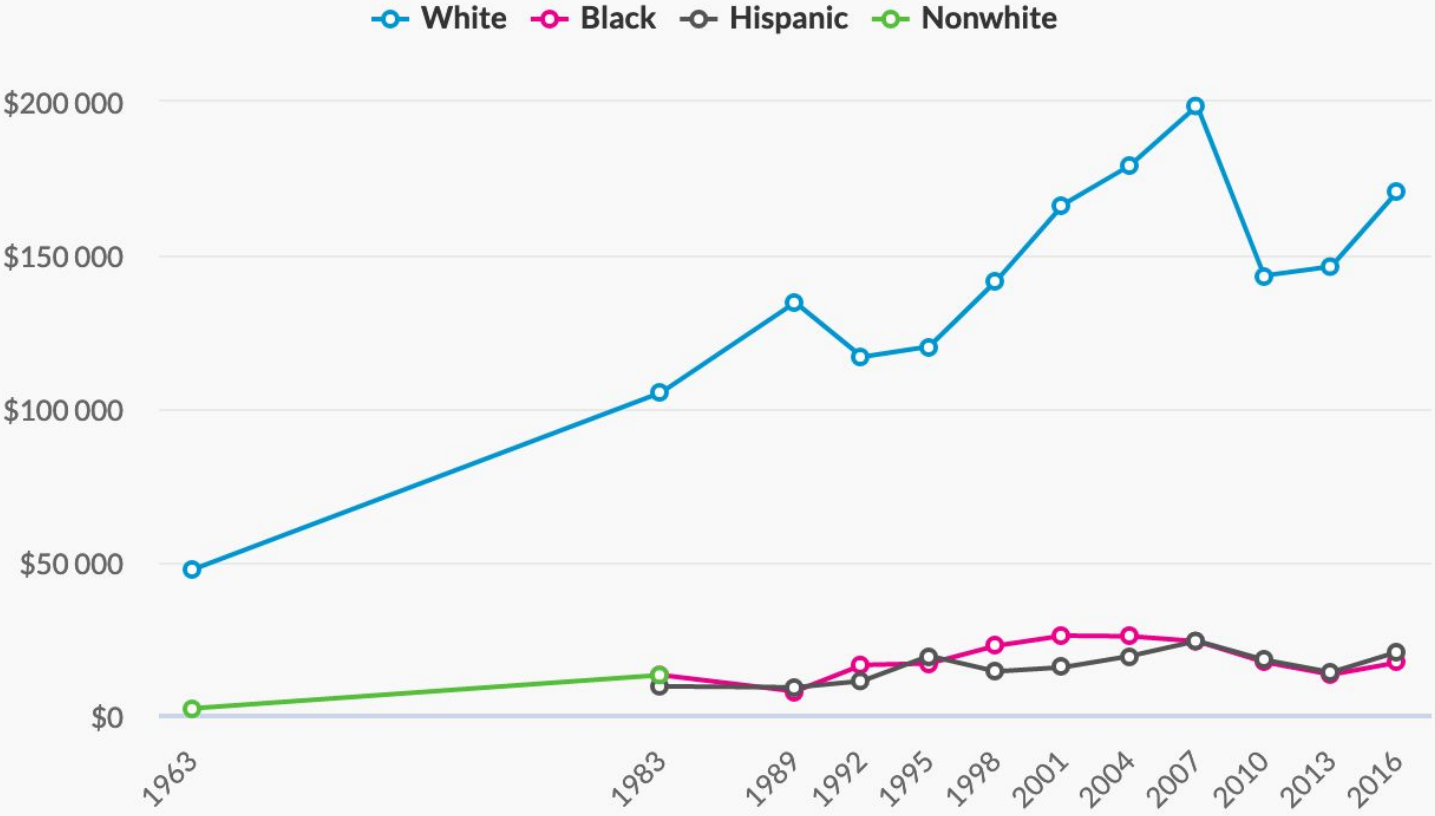
- Educational opportunities
 - Physical and mental health
 - Quality of life
 - Employment opportunities
 - Mentorship and networking
 - Economic mobility
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Median Family Wealth for Those Born 1943-51



[Nine Charts about Wealth Inequality in America](#)

Median Family Wealth by Race/Ethnicity, 1963-2016

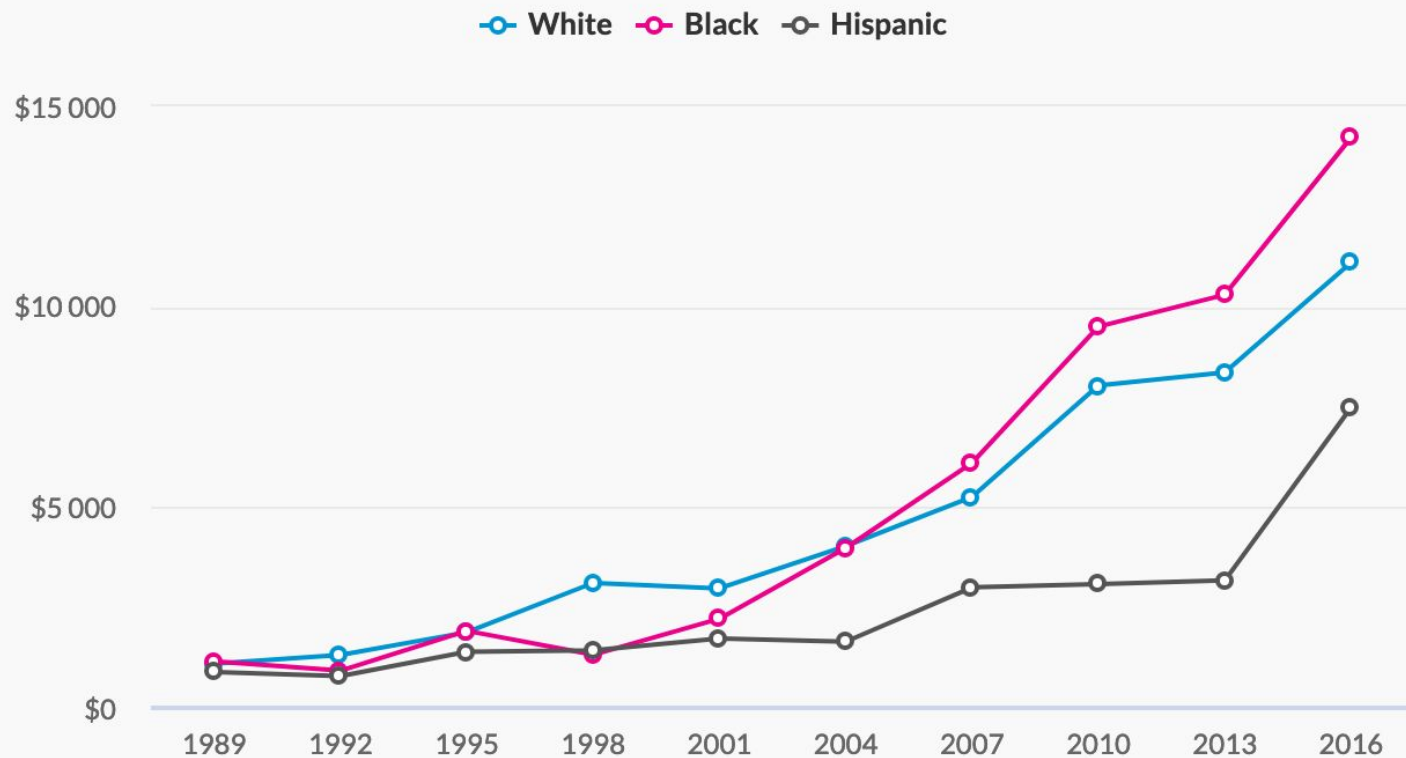


[Nine Charts about Wealth Inequality in America](#)

Credit and Debt

- Payday lending
 - Algorithmic credit scoring
 - Credit pricing
 - Permanent credit card debt
 - Student loan debt
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Average Family Student Loan Debt for Those Ages 25–55, 1989–2016

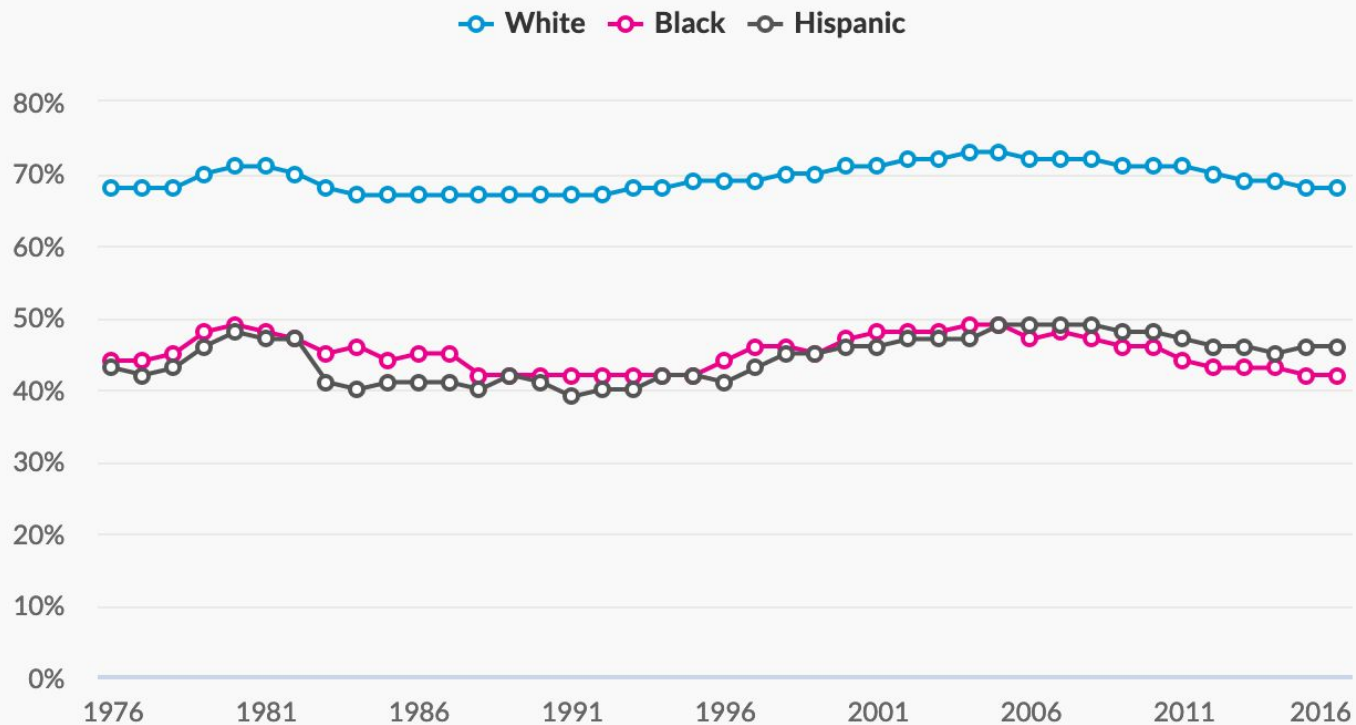


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Real Estate

- Mortgage lending
 - Redlining
 - Gerrymandering
 - Insurance
 - Home values
 - School funding / property taxes
 - Food deserts
 - White flight and gentrification
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Homeownership Rate by Race/Ethnicity, 1976-2016*

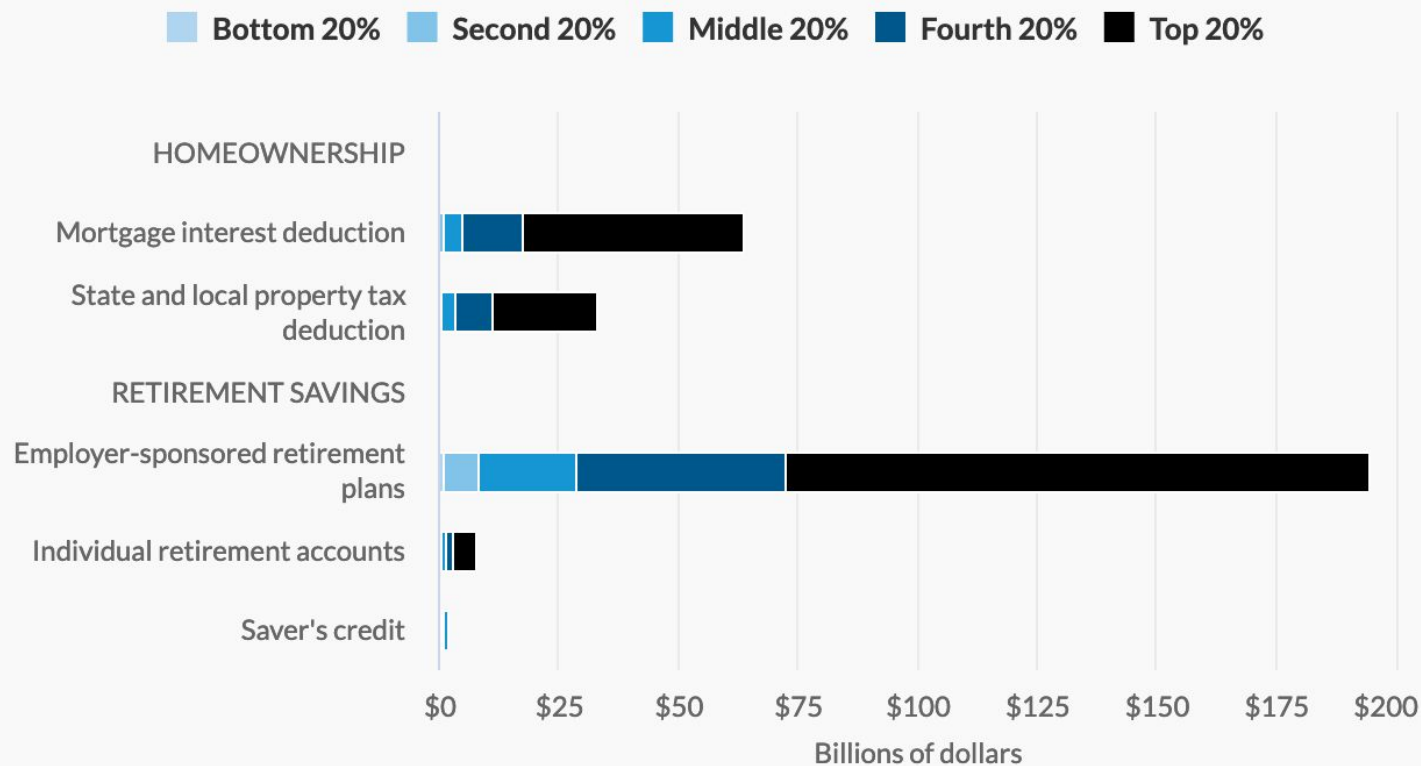


[Nine Charts about Wealth Inequality in America](#)

Initial Conditions and the Dynamics of Capitalism

- The first economic role of Black people in this country was as resources, not participants.
 - The default mode of capitalism is to increase inequality.
 - Echoes of slavery can be seen in our prison system.
 - Our financial systems tend to reward those with capital and exploit those without it.
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Size and Distribution of Select Asset-Building Tax Subsidies, 2017



[Nine Charts about Wealth Inequality in America](#)

Discussion Topics

- Briefly introduce yourself. Why are you here?
 - How have you economically benefited or been hurt by structural racism?
 - What did we miss?
 - What would systemic change look like?
 - Can economic forces be harnessed to solve the problem?
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