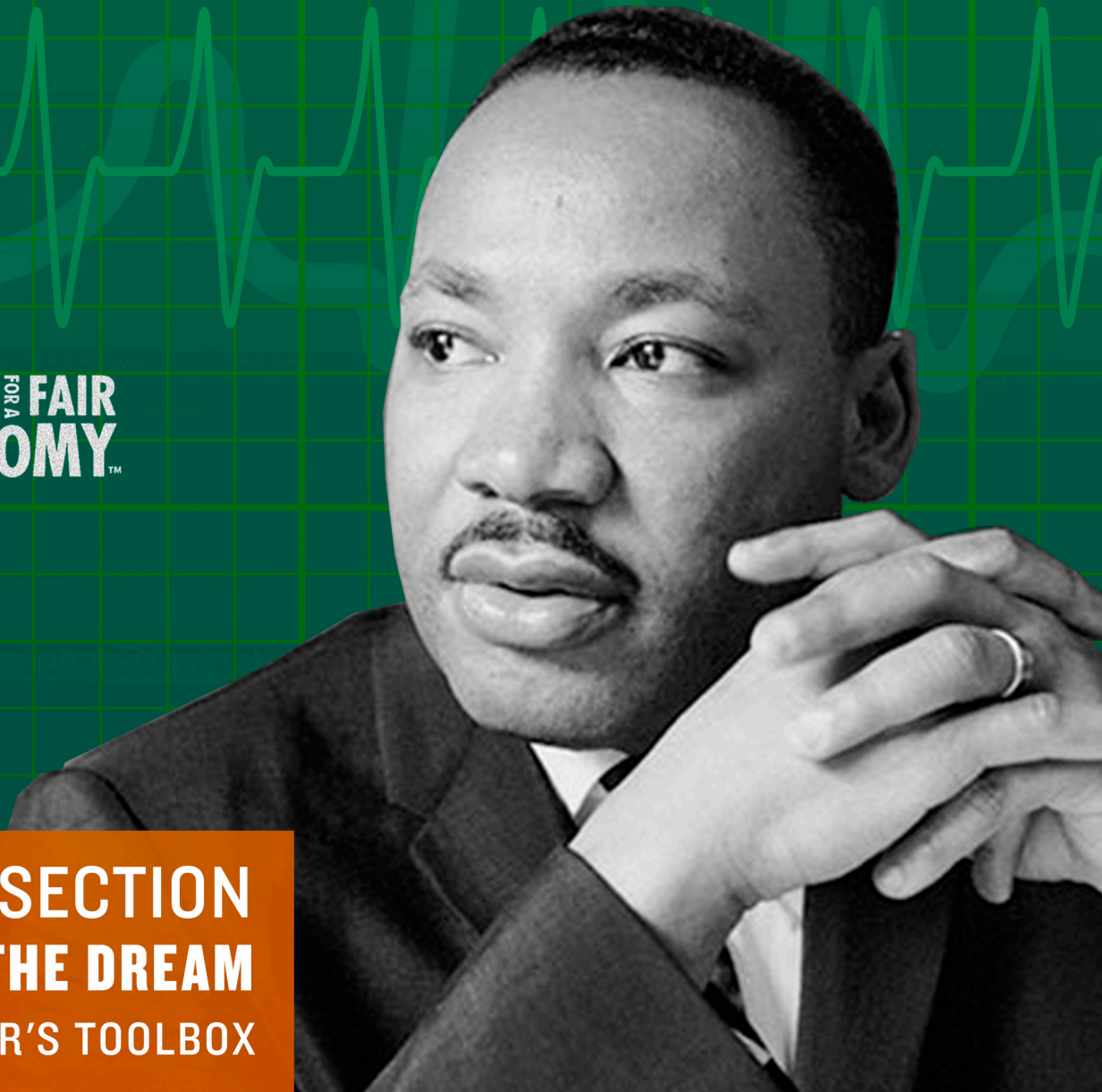


State of the Dream 2014

HEALTHCARE FOR WHOM?

ENDURING RACIAL DISPARITIES



SPECIAL SECTION
BUILDING THE DREAM
AN ORGANIZER'S TOOLBOX

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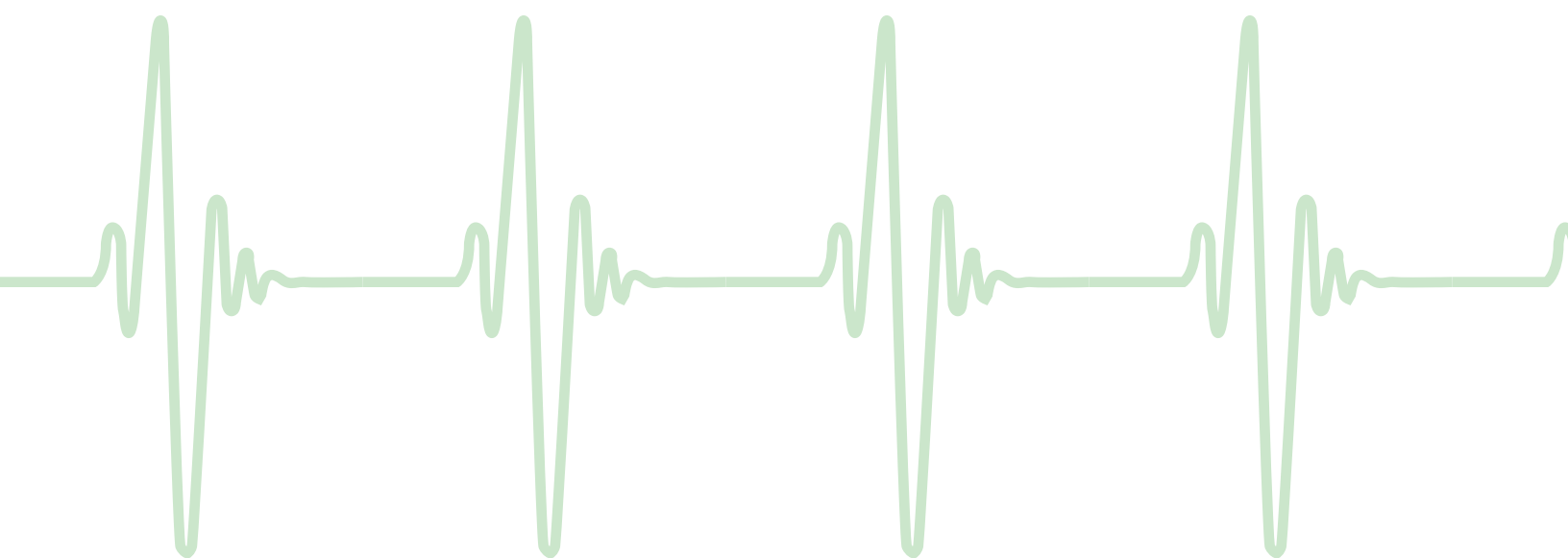
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United for a Fair Economy challenges the concentration of wealth and power that corrupts democracy, deepens the racial divide and tears communities apart. We use popular economics education, trainings, and creative communications to support social movements working for a resilient, sustainable and equitable economy.

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State of the Dream 2014

HEALTHCARE

FOR WHOM?

ENDURING RACIAL DISPARITIES



FOREWORD

We are in a crisis — moral, political, and economic.

We believe that deep within our beings is a longing for the United States of America to uncover its moral compass. For those of us who are moved by the cries of our sisters and brothers, we know that justice, caring for the vulnerable, embracing the stranger, healing the sick and lifting all children, should never be relegated to the margins of our consciousness. We would do well to remember that in the deepest traditions of our faith, of our values, of our sense of morality and righteousness, is our personal and societal responsibility to the poor.

Martin Luther King said 50 years ago that if you ignore the poor, one day the whole system will collapse and implode. The costs are too high if we don't address systemic poverty. It costs us our soul as a nation — and yes, it costs us economically. Every time we don't educate children on the front side of life, it costs us on the back side. Every time we deny living wages and leave communities impoverished, it costs us on the back side. Every time we don't provide healthcare on the front side of life, it costs us on the back side.

And finally, the problem is political. The greatest myth of our time is the notion that extreme policies harm a small subset of people such as people of color. However, these policies harm us all. What we've seen in North Carolina and other parts of the country are wealthy extremists playing on the fears of working class and white people. We have

seen ultra conservative politicians (and donors) adopting a divide and conquer strategy, causing many people to vote against their own interest. Our job is to unpack the truth about these extreme policies and how they adversely impact all people.

State of the Dream 2014: Healthcare for Whom? asks important questions about the health and well being of our sisters and brothers — questions with moral, economic, and political dimensions. Of course, what is economic is also moral. What is political is moral. As is written in Isaiah, “Woe to those who make unjust laws, to those who issue oppressive decrees, to deprive the poor of their rights and withhold justice from the oppressed of my people, making widows their prey and robbing the fatherless.”

As you read this report, I challenge you to look beyond the numbers. The faces and voices behind, or should I say underneath, the statistics of poverty — and health — are who we must really see and hear.

Rev. William Barber
Moral Mondays Movement, North Carolina

EXECUTIVE SUMMARY

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”

– Dr. King, in a speech to the Medical Committee for Human Rights, 1966.¹

“Now is the time to lift our national policy from the quicksand of racial injustice to the solid rock of human dignity.”

– Dr. King, in Letter from a Birmingham Jail, 1963.²

The vast racial disparities in health outcomes, healthcare and health insurance are a reflection of larger structures of racial inequality that have persisted in the United States long after the civil rights victories of the 1960s. Undoing centuries of racial inequality is a long-term fight that will not be solved by any one law or policy change. However, there are fights underway *right now* in states across the nation — in particular, fights over implementation of the Patient Protection and Affordable Care Act (ACA, or “Obamacare”) — that can move the long-term struggle for racial equality forward at a very basic, human level: health.

Although progress has been made on other fronts, vast disparities of wealth and income continue to exist along the lines of race. Black and Latino households have only 13 and 12 cents of net wealth respectively to every dollar that the median White household has. Black and Latino families earn 57 cents to every dollar that the median White family earns. Blacks and Latinos are more likely to be unemployed, even when taking education into account. In 2012, 6.3 percent of Black college graduates and 5.1 percent of Latino college graduates were unemployed, compared to only 3.7 percent of White college graduates.

Despite laws prohibiting housing discrimination, communities of color remain largely segregated from Whites. Poor Blacks and poor Latinos are significantly more likely than poor Whites to live in high-poverty neighborhoods. Living in such neighborhoods is a major contributor to the shorter life spans and significantly higher incidence of health problems faced by Blacks and Latinos. Lack of adequate healthcare facilities, healthful food, and green space to walk or jog, coupled with higher exposures to lead and other toxins, and the physical stress of caring for a family’s well-being amid high crime rates, poverty, and racism itself, all take a heavy toll on one’s health.

Making matters worse, Black and Latino families have long faced much greater hurdles in securing adequate health insurance. Our heavy dependence on employers to provide health insurance has simply worked to replicate the underlying racial disparities of the job market. Blacks and Latinos are more likely to work in low-wage, minimum wage, temporary, contingent, and part-time jobs — sectors that typically provide little or no health benefits for employees. As of 2012, 29 percent of Latinos and 19 percent of Blacks lacked health insurance, compared to 11 percent of Whites.

The ACA, if fully implemented in all 50 states, presents an opportunity to significantly narrow the racial disparities in health insurance coverage. Through a combination of Medicaid expansion for those earning up to 138 percent of the federal poverty level, and health insurance exchanges for others, the ACA aims to cut the number of uninsured Americans in half, from 50 million to 25 million. Many of the 25 million who will remain uninsured are undocumented immigrants and recent immigrants who are excluded from benefits of the ACA as originally passed by Congress. Nonetheless, the ACA represents a significant expansion of coverage.

Blacks, Latinos, and other communities of color have the most to gain by expanded health insurance coverage and other initiatives contained within the ACA. In addition to expanding health insurance coverage, the ACA will expand healthcare access in low-income communities, increase the number of practitioners of color, and improve doctor-patient communications. Investments in outreach and education aim to ensure that all who are eligible know about their rights and the services available to them. Finally, the ACA ends exclusions for pre-existing conditions, lifetime coverage limits, and more.

Unfortunately, opponents of the ACA — mostly Republicans in Congress and in states across the nation — have been systematically challenging and disabling critical components of the healthcare law. In October 2013, the Tea Party wing of the Republican Party went so far as to shut down the federal government in a failed attempt to dismantle the ACA. While the high-profile fight in Congress captured America's attention, the real damage to the ACA is happening at the state level.

In June 2012, the Supreme Court upheld the bulk of the ACA, but simultaneously made it easier for states to opt out of the Medicaid expansion provision, a key provision of the plan that aims to provide insurance to all Americans with incomes up to 138 percent of the federal poverty line, including millions of adults who do not get healthcare under the current Medicaid program. As of this writing, 25 states — all but three of which are headed by Republican governors — have chosen not to expand their Medicaid programs in 2014 (two of those 25 states have waivers pending and plan to expand their Medicaid programs after 2014).

This new 25-state coverage gap will leave millions of Americans without health insurance while exacerbating racial disparities in health and healthcare. In particular:

- Nearly 5 million people who would have otherwise been covered — disproportionately people of color — will now go without health insurance.
- Whites represent 65 percent of the nation's population (excluding undocumented immigrants, who are ineligible for expanded coverage under the ACA) but account for just 47 percent of those who will fall through the new 25-state coverage gap.
- Blacks make up 13 percent of the nation's population, but represent 27 percent of those who will fall through the 25-state coverage gap.
- Latinos represent 15 percent of the nation's population (again, after excluding undocumented immigrants), but represent 21 percent of those who will now fall through the 25-state coverage gap.

Blacks are particularly impacted by the refusal of almost all Southern states to adopt the Medicaid expansion. The “Black Belt,” a region of the country where Blacks make up a significant portion of the population that stretches from Virginia down to Georgia, and across to Louisiana and Arkansas, will be almost entirely left out of the ACA’s Medicaid expansion because of the 25-state coverage gap. Latinos are also impacted, both by the original bill’s exclusion of recent and undocumented immigrants from benefits of the plan, but also due to the 25-state coverage gap, including the decisions of Texas and Florida not to expand their Medicaid program under the ACA.

As this report makes clear, engaging in state-by-state fights over implementation of the ACA is an important step in closing the vast racial disparities in health insurance and healthcare. Doing so will also have ripple effects in terms of closing the racial wealth divide, as persistent health problems and medical debt are major contributors to wealth loss in communities of color. Importantly, these state-by-state fights are taking place *now*.

Pushing leaders in the remaining 25 states to fully implement the ACA by expanding their respective Medicaid programs is a critical first step to closing the racial disparities in health insurance, as is increasing resources for education and outreach so that all who qualify take that critical step of applying for benefits. There are plenty of good reasons for governors and state legislators to expand their Medicaid programs under the ACA, but to counter the political posturing, it will take strong organized movements demanding action now.

At the same time, we also hold out hope for bolder action in states that have already expanded their Medicaid programs, such as Vermont, which has

leveraged the ACA’s rules to establish the nation’s first single-payer healthcare system, scheduled to come online in 2017. And as of this writing, the Vermont system — with the appropriate motto: *Everybody in, nobody out* — will also cover undocumented immigrants. Implementing such a bold healthcare plan in other states, including states with larger Black and Latino populations than Vermont’s, would be a huge step forward — for people of color as well as low-income Whites.

As a society, we must also continue to challenge the concentrated poverty, racism, and related stresses that are the driving forces behind the vast racial disparities in health outcomes that we see. We call on organizers and activists across the nation to continue the fights to rein in economic inequality, break up concentrated poverty and promote a more inclusive prosperity that elevates the well-being of all, particularly those who have been excluded in the past.

Strengthening public programs that raise the floor is not easy. History has shown that when public programs are perceived as providing significant benefits to people of color — as the ACA’s Medicaid expansion would clearly do — these programs run the risk of becoming viewed as a “handout” due in part to the racist predispositions of some. This dynamic of racializing public programs was a significant contributor to the erosion of public programs and laws that once built the White middle class — FHA loans, the GI Bill, the minimum wage, Social Security, and more. After the Civil Rights victories made it possible for Blacks to access those same programs, the assault on the governmental role in supporting average Americans, which now included Blacks, began in earnest.

However, history presents us with another important lesson: Whites, and particularly low and middle-income Whites, have also suffered as those public programs were dismantled. Attacking the public role in providing safety nets and ladders of opportunity to working Americans, for whatever reason, is a lose-lose proposition for both people of color and Whites. After decades of such assaults, we now face the highest level of inequality the nation has seen since the late 1920s, wages are declining, and Americans everywhere are suffering.

If we are to build a broad-based movement for economic justice, we must acknowledge the way in which racism has placed an unjust burden on entire groups of people, and from that shared point of understanding, build a broad-based, multi-racial movement for real justice that will not be vulnerable to such divide-and-conquer tactics.

It is our hope that this report both moves the debate over healthcare forward in a constructive way and gives organizers and activists across the nation the analysis and tools they need to build broad-based, multi-racial movements for greater equality. With those goals, this report is organized as follows:

The Report

Section 1 begins with a broad analysis of the historical and contemporary forces driving the vast racial disparities in income, wealth and opportunity. It is our belief that one cannot truly assess the current realities without a full grasp of the historic trends and patterns that created them.

Section 2, the heart and most timely aspect of this report, examines the contributors to disparate health outcomes, the current

debate over implementation of the Patient Protection and Affordable Care Act (ACA or “Obamacare”), and its implication on communities of color. Section 2 also proposes clear policy directions for moving forward.

Additional Resources

Section 3 presents a summary of the latest data about the racial divide, including disparities of income, wealth, poverty levels, unemployment rates, and educational attainment.

Section 4 offers a few examples of interactive exercises and curricula that organizers in unions, worker centers, religious congregations, and community organizations can use to stimulate discussion about the racial wealth divide.

KEY FINDINGS

Health Related Findings

- Poor Blacks and poor Latinos are significantly more likely than poor Whites to live in high-poverty neighborhoods that exacerbate health problems due to: limited access to healthcare services, healthful food, and green space; higher exposure to lead and other toxins; and physical stresses from crime, poverty, and racism itself. (p. 19)
- Blacks and Latinos also suffer from lower levels of health insurance: 29 percent of Latinos, 19 percent of Blacks, 15 percent of Asians, and 11 percent of Whites were uninsured in 2012. (p. 18)
- The Patient Protection and Affordable Care Act (ACA, or “Obamacare”) will, if fully implemented, extend healthcare coverage to roughly half of the 50 million uninsured individuals in the nation by 2016. This includes 14.7 million people who will get their insurance through the new health insurance exchanges and another 10 million people who will get health insurance through the expansion of the Medicaid program in all 50 states and the District of Columbia, as called for in the ACA. (p. 23)
- Additional provisions in the ACA would expand access to quality health services in low-income communities and increase the cultural competency and diversity of healthcare professionals working with communities of color. (p. 23)
- Currently, 25 states — all but three of them headed by Republican governors — are not planning to expand their Medicaid programs in 2014. Two of those 25 states are planning to expand after 2014. (p. 24)
- Of the 10 million people who would have received healthcare under the expanded Medicaid program, 5 million will now fall through the new 25-state coverage gap — a group that is made up disproportionately of people of color. (p. 25)
- While Whites represent 65 percent of the nation’s population (excluding undocumented immigrants), they account for just 47 percent of those who will fall through the new 25-state coverage gap. (p. 25)
- While Blacks make up only 13 percent of the nation’s population (excluding undocumented immigrants), they represent 27 percent of those who will fall through the new 25-state coverage gap. (p. 27)
- While Latinos represent 15 percent of the nation’s population (excluding undocumented immigrants), they represent 21 percent of those who will now fall through the 25-state coverage gap. (p. 27)

General Inequality Findings

- Among adults 25 years of age or older, 35 percent of Whites have a bachelor’s degree or higher, compared to only 21 percent of Blacks and 15 percent of Latinos. (p.31)

- As greater numbers of Blacks and Latinos have moved into institutions of higher learning in recent decades, taxpayer funding for higher education has diminished. In 1987, 77 percent of public higher education costs were funded through tax dollars. By 2012, tax dollars covered only 47 percent of higher education costs, forcing hikes in tuition and fees and making education less accessible to lower-income students of all races. (p. 31)
- Blacks and Latinos have made limited progress in closing the unemployment gap over the past three decades. As of November 2013, the unemployment rate was 12.5 percent among Blacks, as compared to 8.7 percent for Latinos and 6.2 percent for Whites. (p. 33)
- Closing the educational attainment gap is not sufficient to close the employment gap. Based on 2012 annual averages, 6.3 percent of Blacks and 5.1 percent of Latinos with a bachelor's degree or higher were unemployed, compared to only 3.7 percent of Whites. (p. 33)
- In 2012, the median family income for Whites was \$71,500 as compared to \$40,800 for Latinos and \$40,500 for Blacks. That is, Black and Latino families earned 57 cents to every dollar that White families earned. (p. 34)
- Black men earn 64 cents and Latino men earn 63 cents to each dollar White men earn. Women lag behind men in all three racial groups. (p. 34)
- In 2012, 27 percent of Blacks and 26 percent of Latinos were living at or below the federal poverty line, compared to 10 percent of Whites. (p. 34)
- In 2012, 74 percent of Whites owned their own homes, compared to 44 percent of Blacks and 46 percent of Latinos. (p. 35)
- As of 2010, the median White household — the one at the center of the wealth distribution — had \$123,300 in net wealth, compared to \$15,600 for the median Black household and \$15,000 for the median Latino household. This means that Blacks held 13 cents of net wealth and Latinos held 12 cents of net wealth to every dollar Whites held. (p. 35)

TABLE OF CONTENTS

The Report	9
Section 1: The Unfinished Struggle for Racial Equity	9
Introduction	9
Chutes and Ladders	12
The Myth of the Model Minority	15
Section 2: Healthcare for Whom?	17
Disparities in Health and Healthcare	17
The Health and Wealth Connection	20
The Promise of the Affordable Care Act	21
The GOP's 25-State Coverage Gap	24
Strategies and Policy Recommendations	28
Additional Resources	31
Section 3: The Racial Divide Today — By the Numbers	31
Education	31
Unemployment	33
Income and Poverty	34
Home Ownership and Wealth	35
Section 4: Building the Dream — An Organizer's Toolbox	37
Introduction to the Organizer's Toolbox	37
Boosts and Blocks — A Timeline Activity	38
Step Forward, Step Back	41
Unnatural Causes Film Clip & Discussion	46
Methodology and Endnotes	49

THE REPORT

Section 1: The Unfinished Struggle for Racial Equity

Introduction

Legal Gains — Civil Rights Secured

In 2014, the nation will mark the 50th anniversary of the passage of the Civil Rights Act of 1964, a landmark piece of legislation that outlawed discrimination on the basis of race in public accommodations such as hotels and restaurants. Just months prior, in August 1963, Dr. Martin Luther King had delivered his famed “I Have a Dream” speech from the steps of the Lincoln Memorial.

The changes brought about by the Civil Rights Movement in the 1950s and 1960s transformed daily life in the United States. Oppressive Jim Crow laws were swept aside. Buses and lunch counters were integrated. Schools looked very different as Blacks and Whites began to share the same classrooms. For the first time, Blacks and others in this country were guaranteed the right to vote. Change was truly in the air!

But while these victories changed the face of America, Dr. King knew the challenges ahead were much greater, for the mountaintop he spoke of so eloquently was still shrouded in the clouds. As Dr. King wrote in *Where Do We Go From Here: Chaos or Community?*

“To sit at a lunch counter or occupy the front seat of a bus *had no effect on our material standard of living,*

but in removing a caste stigma, it revolutionized our psychology and elevated the spiritual content of our being.” [emphasis added]

Though the victories of the Civil Rights Movement were cause for celebration, Dr. King and other movement leaders understood at the time that the journey was unfinished. Guaranteeing civil and voting rights to all Americans was necessary, but not sufficient to ensure racial equality in the United States.

In addition, the victories secured during the civil rights struggles have been vulnerable to gradual erosion over time; the 2013 Supreme Court ruling that overturned portions of the Voting Rights Act of 1965 is a case in point. The use of racial profiling in stop-and-frisk laws demonstrates another example of backsliding in the nation’s civil rights record. Nonetheless, the civil rights victories of the mid-1960s have had a dramatic and lasting impact.

Economic Gains — Vast Inequalities Persist

Though progress has been made in the realm of legal rights, as well as in attitudes about race, the racial economic divide has been far less susceptible to change. Dr. King understood that dislodging the vast economic inequalities built over generations of subjugation would be much harder than changing laws. As he told an

assembly in Alabama in February 1968:

“Now we are dealing with issues that cannot be solved without the nation spending billions of dollars, and undergoing a radical redistribution of economic power.”³

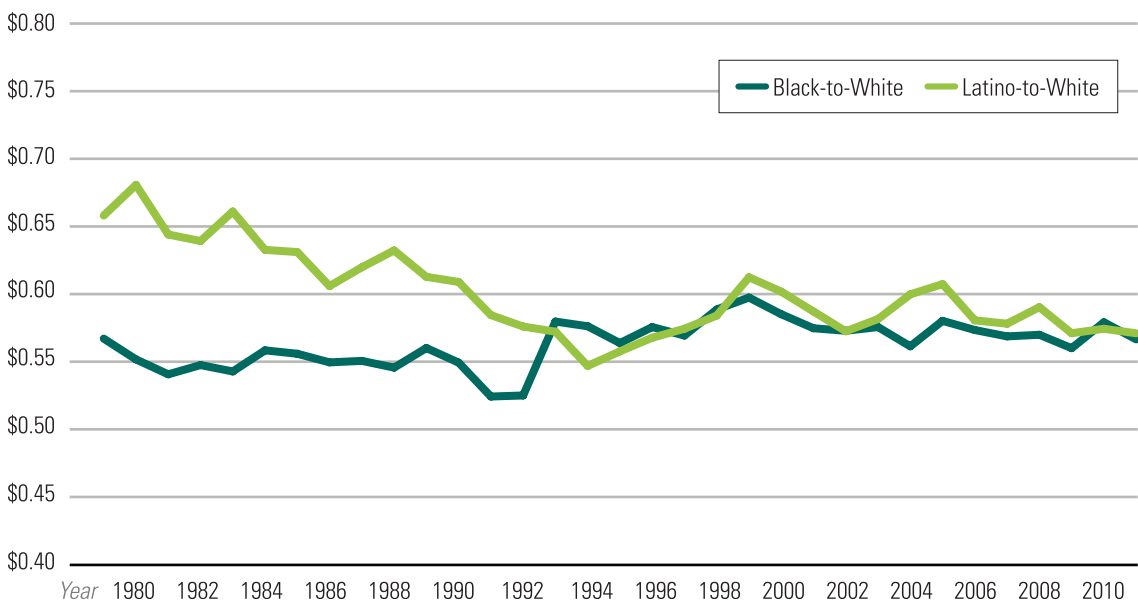
Once the major civil rights victories were secured, King devoted his energies to organizing a Poor People’s Campaign that sought to abolish poverty through government action. This “second phase” of the movement would campaign for economic and social justice as well as civil rights.⁴

On March 18, 1968, less than three weeks before his assassination, Dr. King addressed 25,000 supporters of a sanitation workers’ strike in Memphis, Tennessee:

“With Selma, Alabama, and the voting rights bill, one era of our struggle came to an end and a new era came into being. Now our struggle is for genuine equality, which means economic equality. For we know that it isn’t enough to integrate lunch counters. What does it profit a man to be able to eat at an integrated lunch counter if he doesn’t earn enough money to buy a cup of coffee and a hamburger?”⁵

The economic disparities that Dr. King spoke of are still very much a part of our society. In large part, this is because we as a nation have not yet undertaken the kind of “radical redistribution of economic power” King was calling for in the final months of his life.

Figure 1: Ratio of Median Black Family Income and Median Latino Family Income to Median White Family Income, 1980-2012



Note: For the year 2001 and earlier, respondents could only report one race group. Beginning with the 2003 CPS, respondents were allowed to choose one or more races. Discrepancies between 2001 and 2002 median income data reflect respondents who chose just one race group after 2001; “Black” becomes “Black Alone,” “White, Not Hispanic,” becomes “White Alone, Not Hispanic,” “Asian and Pacific Islander” becomes “Asian Alone.”

Source: “Race and Hispanic Origin of Householder -- Families by Median and Mean Income,” U.S. Census Bureau, <http://www.census.gov/hhes/www/income/data/historical/families/2012/F05_2012.xls>.

The lasting effects of centuries of slavery, Jim Crow, and continuing overt and subtle racism cannot be erased with the passage of laws outlawing discrimination alone. Think of the economic history of North America since the arrival of Europeans as a giant Monopoly game. The White players were able to circle the board almost without opposition for over 400 years, accumulating properties and vast amounts of wealth in the process. With the passage of civil rights legislation in the 1960s, African-Americans were finally allowed to roll the dice. But by then of course, all the good properties had been acquired by Whites. The only reasonable option would have been to start the game over. Instead, we are playing out the same game, and we bemoan the fact that Blacks, Latinos, and other groups still lag far behind. Meanwhile, the wealth and social capital that had accumulated in the hands of Whites is passed down from one generation to the next, perpetuating the rigged game.

A quick look at the data shows how little has really changed on the economic front. Though there were initial gains, they were modest. In 1947, the median Black family earned 51 cents to each dollar of White median family income. By 1977, Blacks were earning 56 cents to each dollar in White income, a gain of just 5 cents in 30 years.⁶

Even this slow progress toward racial economic equality essentially stalled after the late 1970s. In 2007, just before the Great Recession, the median Black family earned slightly over 57 cents (57.4 cents) to each White dollar, a gain of just over one penny in 30 years. Since 2007, the racial income gap has actually grown slightly wider; in 2012 Blacks earned 56.7 cents for each dollar Whites earned in median family income.⁷

Data for Latinos does not go as far back as 1947, but between 1980 and 2012, Latinos actually saw a decline in income relative to Whites (Figure 1). In 1980, Latinos earned 66 cents to every dollar of White median family income. Latinos began losing ground in the late 1980s, and by the mid 1990s were mirroring Blacks in their income ratio to Whites. By 2012, Latinos were earning 57 cents to every dollar of White median family income. The decline in median *household* income — which includes individuals unrelated by blood living together — relative to Whites is less pronounced, but declined nonetheless.⁸

Both Blacks and Latinos continue to lag far behind Whites in income and by many other economic indicators, even when adjusting for differing education levels and family composition. For a more detailed examination of persistent disparities in education, employment, income, poverty, and wealth, see Section 3 of this report.

In the original 2004 State of the Dream report, United for a Fair Economy looked at the incremental gains made by Blacks since Dr. King's assassination in 1968. We then projected how long, at that rate, it would take to close the racial economic divide as measured by education, income, unemployment, etc. The lengths of time needed to close the various gaps were all staggering: 100 years, 200 years, 500 years, and in one case, 1,600 years.⁹ We've recalculated the numbers from time to time, but the results change little from year to year — time spans so long that one might as well say, "This gap will never be closed." At this point, racial inequality is built into the very structure of our nation's economy, and will only be dislodged through bold, proactive action.

“We know through painful experience that freedom is never voluntarily given by the oppressor; it must be demanded by the oppressed... We must come to see, with one of our distinguished jurists, that ‘justice too long delayed is justice denied.’ ” — Dr. King in “Letter from a Birmingham Jail,” 1963.¹⁰

As we will see in this report, racial disparities in wealth, education, unemployment, poverty rates, health outcomes and health insurance coverage are vast and persistent. In short, progress made in attaining legal rights has not necessarily translated into significant economic gains. The lunch counters have been integrated, but few of us ever ask who owns that lunch counter, and why.

Chutes and Ladders

Origins of the White Middle Class

In December 2013, President Barack Obama gave what Ezra Klein of the *Washington Post* called “perhaps the single best economic speech of his presidency.”¹¹ One of the powerful components of that speech is a clear narrative of how the American middle class was built. It was not a product of unfettered markets and heroic bootstrapping, but rather the result of deliberate public investments, a broad-based tax system based on ability to pay, and rules changes that created ladders of opportunity and helped ensure that workers shared in the prosperity their labor made possible. Though omitted in President Obama’s speech, we should add that these changes were made possible thanks to the power of organized labor and other social movements. As President Obama put it:

“Now, the premise that we’re all created equal is the opening line in the American story. And while we don’t promise equal outcomes, we have strived to deliver equal opportunity — the idea that success doesn’t depend on being born into wealth or privilege, it depends on effort and merit. And with every chapter we’ve added to that story, we’ve worked hard to put those words into practice.”

After reciting a litany of public investments and rules changes from Abraham Lincoln’s administration to that of LBJ — including land grant colleges, the eight-hour day, busting up monopolies, Social Security, the minimum wage, Medicare and Medicaid — President Obama added:

“Together, we forged a New Deal, declared a War on Poverty in a great society. We built a ladder of opportunity to climb, and stretched out a safety net beneath so that if we fell, it wouldn’t be too far, and we could bounce back. And as a result, America built the largest middle class the world has ever known. And for the three decades after World War II, it was the engine of our prosperity.”¹²

President Obama acknowledged that not all Americans benefited. “The economy didn’t always work for everyone,” he said. “Racial discrimination locked millions out of poverty — or out of opportunity.”¹³ President Obama also alluded to “discrimination” in his speech, but it’s important to note that this discrimination was not just the interpersonal kind and it was more than Jim Crow.

The very policies that built the White middle class often excluded people of color. At times, this exclusion was an unholy compromise crafted to secure votes from the Southern Democrats in Congress in order to pass key pieces of the New Deal agenda.¹⁴ For example:

- Labor laws passed during the 1930s protecting the right to organize, as well as establishing the minimum wage and overtime pay, excluded domestic workers and farm workers, the majority of whom were Black and Latino.¹⁵
- Domestic and agricultural workers were also excluded from coverage under the Social Security Act, which made them likelier to live out their old age in poverty and less likely to pass on any wealth on to their children.¹⁶
- The GI Bill of 1944 applied to veterans of all races, but White veterans received a disproportionate benefit because government-sanctioned segregation and discrimination prevented Black veterans from taking full advantage of its education and housing programs.¹⁷
- The Federal Housing Authority (FHA), which made home loans affordable for White Americans, encouraged banks to redline Black neighborhoods, making it nearly impossible for Blacks to secure FHA loans.¹⁸

Despite these barriers, Blacks still experienced substantial economic growth after World War II. The steeply progressive tax system and wide array of public investments helped assure one of the strongest periods of growth in our nation's history, growth that was shared broadly across all income groups and races. However, Blacks still lagged far behind Whites in absolute income growth during the post-WWII economic boom

(1949-1979), as the average Black family saw only \$18,300 in income growth compared to \$29,800 for the average White family.¹⁹

Pulling Up the Ladders of Opportunity

When Democratic President Lyndon Johnson signed the Civil Rights Act in 1964, he told an aide, "We have lost the South for a generation."²⁰ His prediction was correct. Republicans, long shut out of Southern politics as a legacy of Civil-War-era political alignments, responded by developing a "Southern Strategy" that appealed to White Southern Democrats' disapproval of civil rights legislation. In the process, Republicans were able to play upon White fears to bring about a huge shift in the political landscape — a shift that still affects politics and culture today.

Open support for White supremacy was replaced by coded language designed to convey opposition to racial equality without using the language of racism. In a recently uncovered recording from 1981, legendary Republican strategist Lee Atwater describes the evolution in the political language around race:

"You start out in 1954 by saying, 'Nigger, nigger, nigger.' By 1968 you can't say 'nigger.' That hurts you, backfires [politically]. So you say stuff like, uh, forced busing, states' rights, and all that stuff. And you're getting so abstract now, you're talking about cutting taxes, and all these things you're talking about are totally economic things and a byproduct of them is, blacks get hurt worse than whites."²¹

Once Blacks and others began to benefit from the public supports that had created the White middle class, the Democratic Party coalition of

big-city machine politicians from the North and segregationists from the South that had passed the minimum wage, Social Security, and the GI Bill, fell apart. Public supports were suddenly termed “handouts” when they benefited Blacks, and Republican presidential candidate Ronald Reagan, during his 1976 presidential bid, introduced to the world the racially loaded term “welfare queen.”

While the political strategy was centered on the South, the policy impacts were felt across the nation. Eventually, Republican electoral gains from the Southern Strategy were solidified with Reagan’s election to the Presidency in 1980. For the next 30 years, through both Republican and Democratic administrations, we witnessed the implementation of “trickle-down economics”: tax cuts for the wealthy while government programs designed to help the poor and middle class were starved of resources, regulations were rolled back, unions were busted, and public services were privatized. Those who had money, primarily Whites, kept it. Those who didn’t saw the ladders of opportunity vanish before their eyes.

Meanwhile, neoliberal reforms and “free trade” were on the march in both the United States and Mexico — reforms that would further advantage global corporations at the expense of workers and local communities. Special H2-A visas were expanded in 1986, allowing corporations to bring low-cost labor into the U.S. on a temporary basis. Back in Mexico, *ejidos* — tracts of farmland long held in common — were sold off to private interests. When the North American Free Trade Agreement (NAFTA) took effect in 1994, it upended communities on both sides of the border.

These policies, along with other neoliberal “reforms” dismantling programs that once aided small farmers in Mexico, collectively pushed

millions of Mexicans off their land in search of jobs. Those displaced included rural farmers whose livelihoods disappeared following the drop in commodity prices wrought by NAFTA. Between 1990 and 2000, as poverty rates in Mexico soared, the Mexican-born population living in the United States more than doubled from 4.5 million to 9.75 million. It peaked at 12.7 million in 2008. Many of these migrants ended up working for the very agricultural corporations in the U.S. that had devastated their farms back in Mexico.²²

By the 1980s, the economy that had fueled the post-war boom had been transformed by a radically new set of rules that led to increasing economic inequality. Instead of growing across the board, income grew almost exclusively at the top. By 2007, the year before the beginning of the Great Recession, the top 1 percent took home over 23 percent of all U.S. income, the highest percentage since 1928, which, not coincidentally, was the year before the 1929 stock market crash which heralded the start of the Great Depression.²³

At the same time that economic inequality was on the rise in the United States, social mobility — the extent to which people move up and down the economic ladder during their lifetimes — was on the decline. As a result, an individual’s income as an adult is far more likely now to be determined by their parents’ income than it was three decades ago.²⁴

The relative lack of social mobility is significantly more powerful in the South, where a large portion of the Black population lives (Figure 2).²⁵ Racism — and the concentrated poverty that goes with it — severely limits a person’s ability to move up the economic ladder. As many Black parents counsel their children, “You’ll have to work twice as hard to get ahead.”

The Myth of the Model Minority

With Nothing But the Shirts on Their Backs

The Emma Lazarus poem “The New Colossus,” inscribed on a plaque inside the pedestal of the Statue of Liberty, includes the well-known words, “Give me your tired, your poor, Your huddled masses yearning to breathe free...” This powerful sentiment is central to the narrative we tell about America as a land of opportunity. It’s an image we project — rightly or wrongly — upon immigrant groups who arrive on our shores and in our communities. And it also plays out in the narratives we tell about race in America.

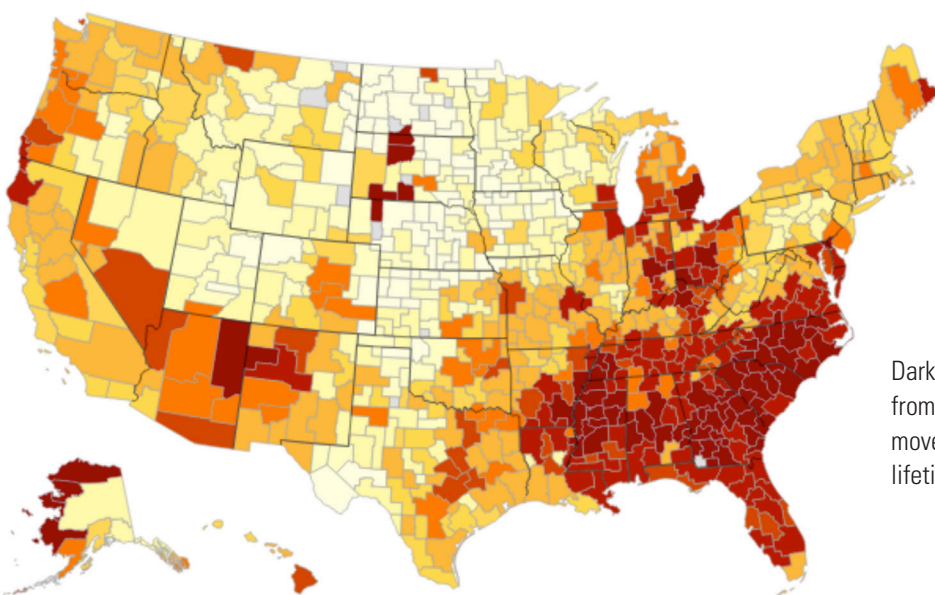
When people from India, Asia, the Middle East, and Africa come to America, and within a very short period of time are owning shops, opening restaurants, and moving into professional occupations, their success is used by some as evidence to suggest that there is something wrong with U.S.-born Blacks, Native Americans, and other people of color who supposedly have

the same opportunities. In this telling, the fact that people of color can come to America with “nothing but the shirts on their backs” and become successful in such a short period of time is an indication that there is nothing wrong with our system. It must, therefore, be the people that are flawed.

However, many immigrants who arrive on our shores come with much more than the “shirts on their backs.” They are in many cases even more advantaged than the average American. Fully 56 percent of East Asians, and 64 percent of Southwest Asians and Indians who immigrate to the U.S. have a bachelor’s degree or better.²⁶ This is essentially double the rate of all Americans 25 or older who have a bachelor’s degree: 28 percent.²⁷

In *Disintegration: The Splintering of Black America*, Pulitzer Prize-winning writer Eugene Robinson notes that Black immigrants from continental Africa — Kenyans, Ugandans, Nigerians, and others — are “the best-educated immigrants in the United States — better

Figure 2: Social Mobility by Region



Darker colors represent areas where children from low-income families are less likely to move up in the income distribution in their lifetimes.

Source: *The Equality of Opportunity Project*. Harvard Univ. & UC Berkeley, n.d. Web. 10 Jan. 2014. <<http://www.equality-of-opportunity.org/>>.

educated than Asians, Europeans, Latin Americans, or any other regional group.”²⁸ Though they may be driving cabs now, their children carry the social capital of their parent’s advanced degrees, and often move quickly into professional careers.

In addition to the social capital bestowed by their college degrees, many of these immigrants to the U.S. owned businesses in their home countries. Indeed, the high cost of emigrating — an airplane ticket, visa papers, etc. — helps ensure that “the tired, poor, huddled masses” remain in their home countries, unable to even consider making the journey to the U.S. The highly educated immigrants who arrive on our shores represent a “brain drain” when viewed from the perspective of their home countries.

This is not to say all immigrant groups are among the global educated class. Immigrants from war-torn areas, refugees fleeing violence at home, Latinos escaping the devastation wrought by bad trade agreements, globalization, and subsequent displacement all face very different realities. No one story can be used to describe all immigrants. And by the same token, no one stereotypical image of immigrants should be held up as a standard for others who have suffered generations of subjugation at the hands of White America.

A Note on Asian Americans

Asian Americans have been held up as “success stories” in a similar way to claim that the United States is a post-racial society. While there is significant variation among different Asian subgroups (Chinese vs. Indians vs. Hmong, etc.), it is not uncommon for government data to show that Asians on average have higher income and wealth than Whites. However, this kind of aggregate data

is skewed by a number of factors, including the higher educational attainment levels of Asians, the clustering of Asians in high-cost/high-pay areas like New York, California, and Hawaii, and the fact that Asians typically live in larger households with multiple income-earners.

When factors like geography and or education level are held constant, Asians lag behind Whites in income and suffer higher poverty rates.²⁹ Asian college graduates trail White college graduates in overall rates of employment.³⁰ The same phenomenon occurs when one examines per-capita income instead of “household” income. In general, disaggregating the data and controlling for education, geography, and household size indicates that racism keeps Asians — just like many other groups — at a disadvantage relative to White Americans. However, Asians still generally fare better than Blacks and Latinos.

Due to the complexities of disaggregating these multiple factors, and the relative lack of good economic data for Asians, this report only makes limited references to the economic situations of Asians in this country. For a deeper analysis of the Asian reality, see Chapter 5 — “The Perils of Being Yellow: Asian Americans as Perpetual Foreigners” — in UFE’s 2006 book, *The Color of Wealth*, by Meizhu Lui and others.

Section 2: Healthcare for Whom?

Disparities in Health and Healthcare

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”

— Dr. King in a speech to the Medical Committee for Human Rights, 1966.³¹

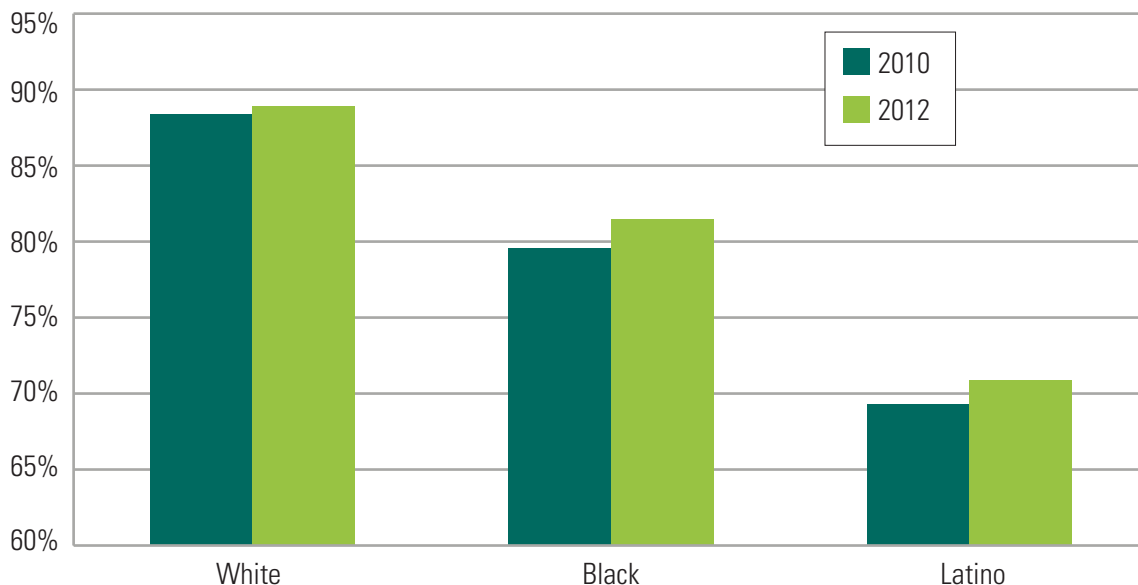
Access to healthcare is, first and foremost, a moral issue. It’s a question of right and wrong. Tolerating vast inequalities in health and healthcare along the lines of race or class sends

the disturbing message that we as a society value the lives of people in various groups differently. Of course, allowing anyone — regardless of race or class — to go without healthcare also raises serious questions about the values we as a society hold.

Lack of Health Insurance in Communities of Color

Insurance coverage rates declined for all races between 1980 and 2010, the year the Patient Protection and Affordable Care Act (ACA or “Obamacare”) was enacted. In 2010, before most of the provisions of the ACA had been implemented, only 82 percent of the population

Figure 3: Percent of Population with Health Insurance Coverage, 2010 and 2012



Source: U.S. Census Bureau, Table HIB-1. Health Insurance Coverage Status and Type of Coverage by Sex, Race and Hispanic Origin: 1999–2012. <<https://www.census.gov/hhes/www/bltbins/data/historical/files/hibist1B.xls>>

under the age of 65 had health insurance coverage, down from 92 percent in 1979. The employer-based health insurance system was unraveling as increasing numbers of families — regardless of race — found themselves uninsured.³²

Within the general decline in health coverage were vast racial disparities in coverage rates. By 2010, prior to passage of the ACA, 31 percent of Latinos, 21 percent of Blacks, 18 percent of Asians, and 12 percent of Whites were uninsured (Figure 3). Looked at another way, Blacks lagged roughly 9 percentage points behind Whites, while Latinos lagged 19 percentage points behind Whites in health insurance coverage.³³

In the two years since passage of the ACA, health coverage has expanded slightly for all groups. In 2012, 29 percent of Latinos, 19 percent of Blacks, 15 percent of Asians, and 11 percent of Whites were uninsured.³⁴ This is not a statistically significant decrease, though if “real,” it may have resulted from aspects of the ACA that were implemented immediately upon passage, such as provisions allowing young adults to remain on their parents’ policies until age 26 and new rules protecting those with pre-existing conditions. The core provisions of the ACA, including the health insurance exchanges and the Medicaid expansion, were not scheduled to take effect until 2014.

A significant contributor to these racial disparities in coverage is the difference in the types of employment Latinos and Blacks typically hold as compared to Whites. That is, in a healthcare system largely dependent upon employer-sponsored health insurance, racial disparities in employment are reflected in the health insurance coverage rates. Farm labor, domestic work, low-wage, part-time, service sector, and contingent jobs — all sectors with disproportionately high

numbers of people of color — are less likely to provide health benefits. The fact that Blacks and Latinos are more likely to be unemployed than Whites is also a contributing factor to the health insurance disparities.

In addition to disparities in health insurance coverage, communities of color fare worse than Whites in a wide variety of health indicators, including infant mortality, life expectancy, and the prevalence of chronic health challenges such as diabetes, obesity and heart conditions.³⁵ Blacks, Native Americans and Pacific Islanders have lower life expectancy, and higher rates of infant mortality, coronary artery disease, diabetes and stroke.³⁶

It should be obvious that having health insurance coverage will increase a person’s access to and use of healthcare services, and ultimately improve their well-being. Though other factors are important, numerous studies substantiate the strong connection between health insurance coverage and health outcomes.^{37 38 39} As one 2008 study found,

“Results of our review of empirical studies... consistently show that health insurance increases utilization and improves health. Specifically, health insurance had substantial [positive] effects on the use of physician services, preventive services, self-reported health status, and mortality conditional on injury and disease.”⁴⁰

Other Factors Contributing to Disparate Health Outcomes

In addition to the obvious implications of expanding health insurance coverage, other factors contribute to health outcomes and

access. Even when Blacks, Latinos and Whites have comparable health coverage, many of the disparities in health outcomes remain.

Concentrated Poverty and Environmental Stress

Residential segregation and the stresses associated with concentrated poverty remain key contributors to the poor health outcomes faced by communities of color. One study showed that poor Blacks were 7.3 times as likely as poor Whites, and poor Latinos were 5.7 times as likely, to live in high-poverty neighborhoods.⁴¹

Racially segregated, high-poverty communities often lack the kinds of amenities that foster good health. They are often “food deserts” that lack grocery stores with healthful food options, and instead are overflowing with fast-food, convenience and liquor stores. Half of Black neighborhoods lack a full-service grocery store or supermarket. Such neighborhoods also have fewer parks and green spaces where people might walk, jog, or ride a bike. In areas riddled with crime, parents often keep their kids indoors after school.⁴²

Environmental hazards also diminish health in such communities. Inner city and inner-ring-suburb communities of color are often exposed to higher levels of lead paint and allergens such as mold and dust mites.⁴³ At the same time, industrial facilities and toxic waste dumps are disproportionately located in or near communities of color. One study showed that Blacks are “79 percent more likely than whites to live in neighborhoods where industrial pollution is suspected of posing the greatest health danger.”⁴⁴

The availability and quality of healthcare facilities in one’s community also has a significant impact on health outcomes. A 2007 examination of hospital quality measures found that “Recent

studies suggest that at least some of the disparities found in large national databases can be attributed to site of care and geographic factors... minorities live disproportionately in parts of the country that have lower quality hospitals and primary care physicians.”⁴⁵

Racial Bias Among Practitioners and Healthcare Providers

Racial bias on the part of medical providers — whether unconscious or otherwise — also contributes to health outcomes. For example, one study showed that “Black dialysis patients were less likely than their clinically similar White counterparts to be told about transplantation, [or to] obtain all of the medical information they desire... Among patients who were certain they wanted a transplant, Blacks were less likely than Whites to be referred for evaluation and to be placed on a waiting list.”⁴⁶

Communication barriers between providers and their patients is another contributing factor to the generally lower quality of healthcare received by Blacks, Latinos, and other groups. “Communication during the medical interaction plays a central role in decision making about subsequent interventions and health behaviors. Research has shown that doctors have poorer communication with minority patients than with others, but problems in doctor-patient communication have received little attention as a potential cause...”⁴⁷ Sometimes, this poor communication can be hard to distinguish from the racial biases noted above.

The Wear and Tear of Racism

Finally, the stress of experiencing racism on a daily basis has the ability to wear the body down and lead to disparate health outcomes. A growing body of evidence links racial discrimination to reduced physical health.

Black women who reported being victims of racism were 31 percent more likely to develop breast cancer than those who were not. Similar studies link experiences of discrimination to high blood pressure and hypertension. A survey of over 2,000 Asian Americans found that everyday discrimination was associated with chronic cardiovascular, respiratory, and pain-related health issues.⁴⁸

Research suggests that being on the receiving end of racial discrimination triggers the “fight-or-flight” response in which the body releases cortisol and other stress hormones that trigger a cascade of physical effects: heightened senses, higher blood pressure, and elevated heart rates. If the stress is chronic, even at low levels, the body never really returns to normal. Unsurprisingly, over time this can take a toll on a person’s health.⁴⁹

The combination of all these stressors, made worse by the relative lack of health insurance and health services in communities of color, has the potential to profoundly alter the course and the length of one’s life.

In one deeply disturbing statistic, Black men die on average 5.1 years earlier than White men, while Black women die on average 4.3 years earlier than White women. As explored in an article on the “Unnatural Causes” website based on a 2008 documentary on racial and socioeconomic disparities in health, “880,000 ‘excess’ deaths could have been averted had African Americans’ health matched that of whites. That’s the equivalent of a Boeing 767 shot out of the sky and killing everyone on board, every day, 365 days a year... And they are all black.”⁵⁰

The Health and Wealth Connection

In addition to their fundamental moral implications, disparities in health outcomes, access to care, and health insurance coverage are directly related to the racial wealth divide and to loss of wealth among communities of color.

As already noted, communities of color lag behind Whites in a wide variety of health indicators due in large part to the effects of concentrated poverty and lack of preventative care. The very presence of health problems depletes wealth for all racial groups. One study of individuals between the ages of 50 and 60 found that wealth decreased and earnings were substantially reduced with the onset of a major disease. This loss of wealth was larger than could be accounted for by out of pocket medical expenses. The impacts of lost productivity, hours worked, and the ability to save are thus significant.⁵¹

Then there’s the cost of the medical services themselves. It’s not hard to imagine how medical bills can accumulate for the uninsured, who again are disproportionately people of color. In 2012, 29 percent of Latinos, 19 percent of Blacks, 15 percent of Asians, and 11 percent of Whites were uninsured.⁵²

Even those with insurance are at risk. An extended illness can ultimately lead to job loss and subsequent loss of health insurance. In the days before the Affordable Care Act, that was the end of the road for many, as pre-existing conditions often made securing new policies unaffordable, setting off a downward spiral of debt and desperation. Whatever the path, medical debt can quickly lead to economic ruin and loss of wealth.

Medical debt is a leading cause of bankruptcy and job loss for all groups, regardless of race.⁵³ By some accounts, medical debt is the number one cause of bankruptcy in the U.S.⁵⁴ While there is some small variation among races on how strong of a role medical debt plays versus job loss and other factors,⁵⁵ these differences are dwarfed by the differing bankruptcy rates among Blacks, Latinos and Whites. Blacks are essentially three times as likely and Latinos are twice as likely as Whites to file for bankruptcy due to medical debt (the same applies for job loss and other factors).⁵⁶

The higher bankruptcy rates for Blacks and Latinos do not exist only — or even primarily — because Blacks and Latinos typically have lower incomes or lower wealth. Black, Latino, and White families that file for bankruptcy are surprisingly similar, with 91 to 93 percent being solidly middle class — as measured by college attendance, good jobs, and home ownership — in the years before they file.⁵⁷

Finally, when Blacks file for bankruptcy, their interaction with the legal system is very different from that experienced by Whites and other groups. Blacks in the bankruptcy system are twice as likely to be directed into the more economically devastating Chapter 13 plan, while Whites and other groups are more likely to be given full forgiveness under Chapter 7 bankruptcy.⁵⁸

Even when medical bills don't lead to outright bankruptcy, they can be a significant contributor to wealth loss among the uninsured. As the uninsured population is disproportionately Black and Latino, this further widens the wealth gap between Whites and Blacks and Latinos.

In past years, United for a Fair Economy has documented the connection of the foreclosure crisis — and the predatory lending that

precipitated it — to extreme loss of wealth in communities of color. As this report makes clear, medical debt — driven largely by lack of adequate health insurance coverage — stands along side the foreclosure crisis as a major contributor to wealth loss in communities of color. More importantly, it's a factor *we can do something about today*, as organizers across the nation work to make sure the ACA is implemented in a way that maximizes the number of people covered, and in the process, narrows the racial divide in health insurance coverage.

The Promise of the Affordable Care Act

In the years prior to the Patient Protection and Affordable Care Act of 2010 (ACA, also known as “Obamacare”), the employer-based health insurance system in the United States was slowly coming apart. The shift to a more contingent workforce with a higher share of temporary and contract labor, the rise of the service sector, the proliferation of low-wage jobs, the loss of union negotiating power, and other factors have been contributing to a decline in overall health insurance coverage. By 2010, 50 million Americans lacked health insurance, public or private.⁵⁹

Healthcare advocates and organizers have long championed universal, single-payer health insurance — sometimes termed “Medicare for All” — as the most promising way to resolve longstanding flaws in our employer-based insurance system, including racial inequalities that are built into that system. Any system that depends primarily on employers to provide health insurance will naturally recreate the underlying

racial disparities in the job market. That is, people of color — who are more likely to work part-time jobs, low-wage or minimum wage jobs, and non-managerial jobs — will tend to have lower-quality employer-based health insurance, if they get health insurance at all. Shifting to a single-payer or “Medicare for All” system could eliminate, or nearly eliminate, these racial disparities in health insurance coverage, especially if undocumented and recent immigrants were included in the program.

While President Obama did not embrace a single-payer health insurance system as many advocates would have liked him to, he did choose to make healthcare reform the central focus of his first term in office. After much compromise, the healthcare reform law that ultimately passed in 2010 greatly expands coverage through a combination of private and public health insurance options. However, it is far from universal. Roughly half of the 50 million uninsured would remain so even if the ACA were fully implemented in every state.

As the system is intended to work, two primary

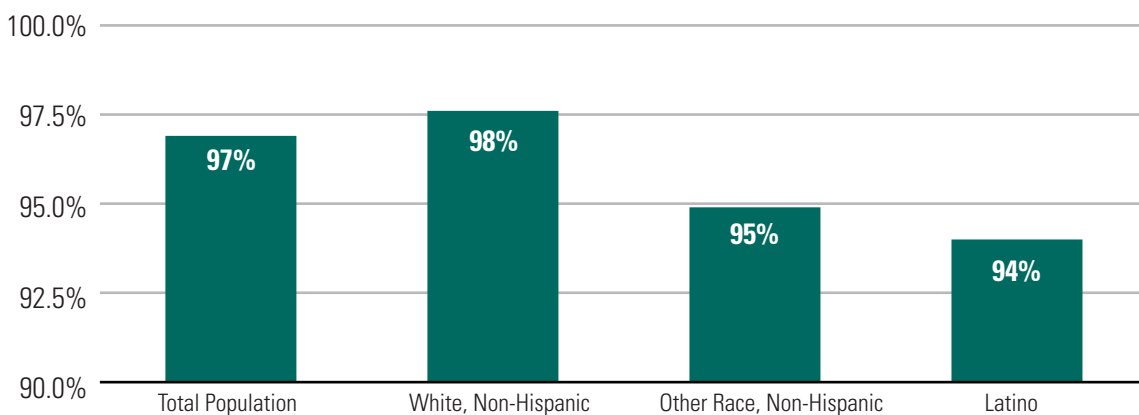
strategies would be employed, depending on whether one falls above or below 138 percent of the federal poverty line (nearly \$16,000 in annual income for an individual and \$32,500 for a family of four).⁶⁰

For those above 138 percent of the federal poverty line:

A system of state- or federally-based Health Insurance Marketplaces, or exchanges, have been created to assist those who do not get healthcare through their employers or through other means (such as Medicare for those over 65, the Veterans Administration for veterans, etc.). Subsidies and tax credits are available to certain low-income households with incomes over 100 percent of the poverty line that purchase coverage in the health insurance exchanges.

Additionally, employer mandates are aimed at expanding the number of people who can secure health insurance through the workplace. Similarly, provisions related to people with pre-existing conditions, and those allowing young adults to stay on their parents’ policies longer, will increase the ability of these groups to purchase insurance.

Figure 4: Percentage Covered by Health Insurance in Massachusetts, 2011



Source: Blue Cross Blue Shield of Massachusetts Foundation. *Health Reform in Massachusetts: Expanding Access to Health Insurance Coverage—Assessing the Results.* Blue Cross Blue Shield of Massachusetts Foundation, March 2013. <http://bluecrossmafoundation.org/sites/default/files/download/publication/Monitoring%20MA%20Reform%20March%202013_0.pdf>

For those with incomes at 138 percent of the federal poverty line or less:

The ACA called for an expansion of the Medicaid program, which is administered by the states with a combination of federal and state dollars. Prior to the Medicaid expansion envisioned by the ACA, Medicaid generally only covered low-income children and their parents; in most states, low-income and unemployed adults without children were ineligible for Medicaid. Even parents had to be very low-income to qualify: 50 percent of the poverty line or lower in many states. According to the Kaiser Commission, “Only 30 percent of poor non-elderly adults had Medicaid coverage in 2012, compared to 70 percent of poor children...”⁶¹

The expansion of the Medicaid program as part of the ACA was designed to include *all* low-income households up to 138 percent of the federal poverty line, regardless of age or the presence of children. As a result, if fully implemented in all states, the ACA would mean that most very low-income adults, particularly those without children, would have publicly-funded health insurance for the first time.

Under the provisions of the ACA, by 2016 a total of 24.7 million Americans who had previously gone without health insurance would gain access to coverage for the first time, a vast expansion of coverage by any measure. Of those, 14.7 million would get their insurance through the new health insurance exchanges. The remaining 10 million would get health insurance through the expansion of the Medicaid program.⁶²

Because people of color are disproportionately represented among the uninsured, they have the most to gain by closing the vast health insurance disparities. As Brian Smedley of the

Joint Center for Political and Economic Studies writes,

“Racial and ethnic minority Americans have an enormous stake in the law and Supreme Court’s deliberations. Not only do many minorities face higher rates of disease, disability, and premature death than whites, they also face greater barriers to accessing high-quality health care.”⁶³

In 2006, Massachusetts enacted landmark healthcare reform legislation that later served as a model for the Affordable Care Act nationally. Massachusetts was already far ahead of the national average in overall health insurance coverage. In 2004, two years before the state’s new healthcare law was enacted, only 7.4 percent of Massachusetts residents (of all ages) lacked coverage. By 2011, five years after the legislation took effect, the percentage lacking health insurance had dropped to 3.1 percent. Those with insurance included 98 percent of Whites, 94 percent of Latinos, and 95 percent of other groups (including Blacks).⁶⁴ This racial health insurance gap of 4 percentage points is dramatically narrower than the gap nationally (Figure 4).

The ACA — if fully implemented in all 50 states — has great promise for shrinking racial health insurance disparities and expanding coverage overall, much like healthcare reform did earlier in Massachusetts. In addition to expanding health insurance coverage, the ACA seeks to address many other factors that contribute to racially disparate health outcomes:

- The ACA expands programs to promote greater diversity in professions like long-term care, primary care, and dentistry.

- The ACA includes provisions to increase scholarships and forgive student loans for those who agree to work in communities that have a high need for health professionals.
- The ACA authorizes support for cultural competency training that can enable healthcare professionals to better communicate with their patients, especially patients of color.
- The ACA also initiates numerous new research initiatives aimed at examining the causes of health inequalities, and possible solutions.⁶⁵

In addition, the “patient protection” aspect of the ACA ends exclusions for those with pre-existing conditions such as heart problems or diabetes, and ends annual lifetime limits on reimbursements for care. Such additional protections will further help people in communities of color who often face poor health due in large part to the effects of concentrated poverty.

Of course, such measures will not by themselves address the concentrated poverty that produces many of the health problems facing communities of color. Still, improving access to culturally competent health practitioners in the communities where people live will help to address at least some of the stressors related to poverty.

Unfortunately, however, the expanded coverage of the ACA is now under attack, primarily from Republicans and conservatives across the nation, in a state-by-state battle that has serious racial implications.

The GOP’s 25-State Coverage Gap

While the ACA was passed in 2010, the fight over its implementation is far from over. Most Americans recall the government shutdown and near default in October 2013, driven largely by an intransigent Tea Party caucus in Congress that sought to dismantle or delay major portions of the ACA. The Republican Party, in the grips of its Tea Party wing, forced a shutdown of our federal government in a failed effort to dismantle the ACA.

While that high-profile, national fight captivated the attention of Americans everywhere, a far more effective war on the ACA was being rolled out at the state level. A watershed moment for the state fights was the Supreme Court’s 2012 ruling that upheld most of the ACA, but struck down the requirement that states expand their Medicaid programs to the 138 percent threshold. That is, states can now choose to expand Medicaid under the ACA or not, and the federal government has little or no recourse.⁶⁶

Following the Supreme Court’s ruling, opponents of the ACA took their fight to the states. As of this writing, 25 states, all but three led by Republican governors, will not be expanding their Medicaid program in 2014 (two of these states have waivers pending to expand after 2014).⁶⁷

In a cruel twist, because the original ACA envisioned that those with incomes at or below 138 percent of the federal poverty line would be insured under the expanded Medicaid program, the law does not provide assistance for very low-income individuals to buy into the newly-created health insurance markets. Limited tax credits may be available for those earning over 100 percent of

the federal poverty line, but this only helps a third of those who would have otherwise been eligible for the expanded Medicaid.

With no expanded Medicaid, and little or no assistance to purchase insurance in the health exchanges, the actions of these elected leaders in these states are creating a vast hole in the new healthcare law — a 25-state coverage gap — through which nearly 5 million low-income Americans will now fall.⁶⁸

These actions are being taken despite the fact that by any economic measure, Medicaid expansion is a financial boon for the states. The federal government will pay 100 percent of the costs of the Medicaid expansion for the first few years, after which the federal portion will drop to a minimum of 90 percent.

Governors and state legislators at the state level have used this 10 percent state pay-in as an excuse to reject the Medicaid expansion provision. However, without expanding the Medicaid program, those left without insurance will fall into emergency room care, the costs of which will simply be transferred to others in the state. In spite of claims of “fiscal responsibility,” at the end of the day, this ideologically driven opposition to “Obamacare” will cost the states more than if they had simply accepted the Medicaid expansion and the federal dollars that would have accompanied it.

Many residents of states that have refused to expand Medicaid probably do not realize that they will, in effect, be paying for expanded healthcare in other states. This is because the federal government’s Medicaid match is funded by taxes collected from residents in all 50 states, regardless of whether any given state has opted in or out of the Medicaid expansion program. The

net impact of this difference is substantial. By 2022, Georgia is projected to face a net loss of \$2.9 billion, North Carolina will lose \$2.6 billion, Florida will lose over \$5 billion, and Texas will face a staggering net loss of \$9.2 billion if it does not choose to expand its Medicaid program under the ACA.⁶⁹

Impact on Communities of Color

In general, most non-white racial groups will be adversely impacted by this state-by-state war on the ACA and its Medicaid expansion provision. People of color are over-represented among the low-income adults across the nation who would benefit from fully expanded Medicaid under the ACA.

In order to examine the impact of the 25-state coverage gap on communities of color, we excluded undocumented immigrants from the Census figures below. Had we not done that, the disparate impact cited below would have intermingled the effects of the original ACA’s exclusion of undocumented immigrants with that of the 25-state coverage gap.

While Whites represent 65 percent of the nation’s population (excluding undocumented immigrants),⁷⁰ they account for just 47 percent of those who will fall through the new 25-state coverage gap (Figure 6). The remaining 53 percent are Black, Latino, or members of another non-White racial group.⁷¹ A recent *New York Times* article adds:

“Because [two-thirds of the poor blacks and single mothers and more than half of the low-wage workers who do not have insurance] live in states largely controlled by Republicans that have declined to participate in a vast expansion of Medicaid, the medical insurance program

for the poor, they are among the eight million Americans who are impoverished, uninsured and ineligible for help.”

The article continues,

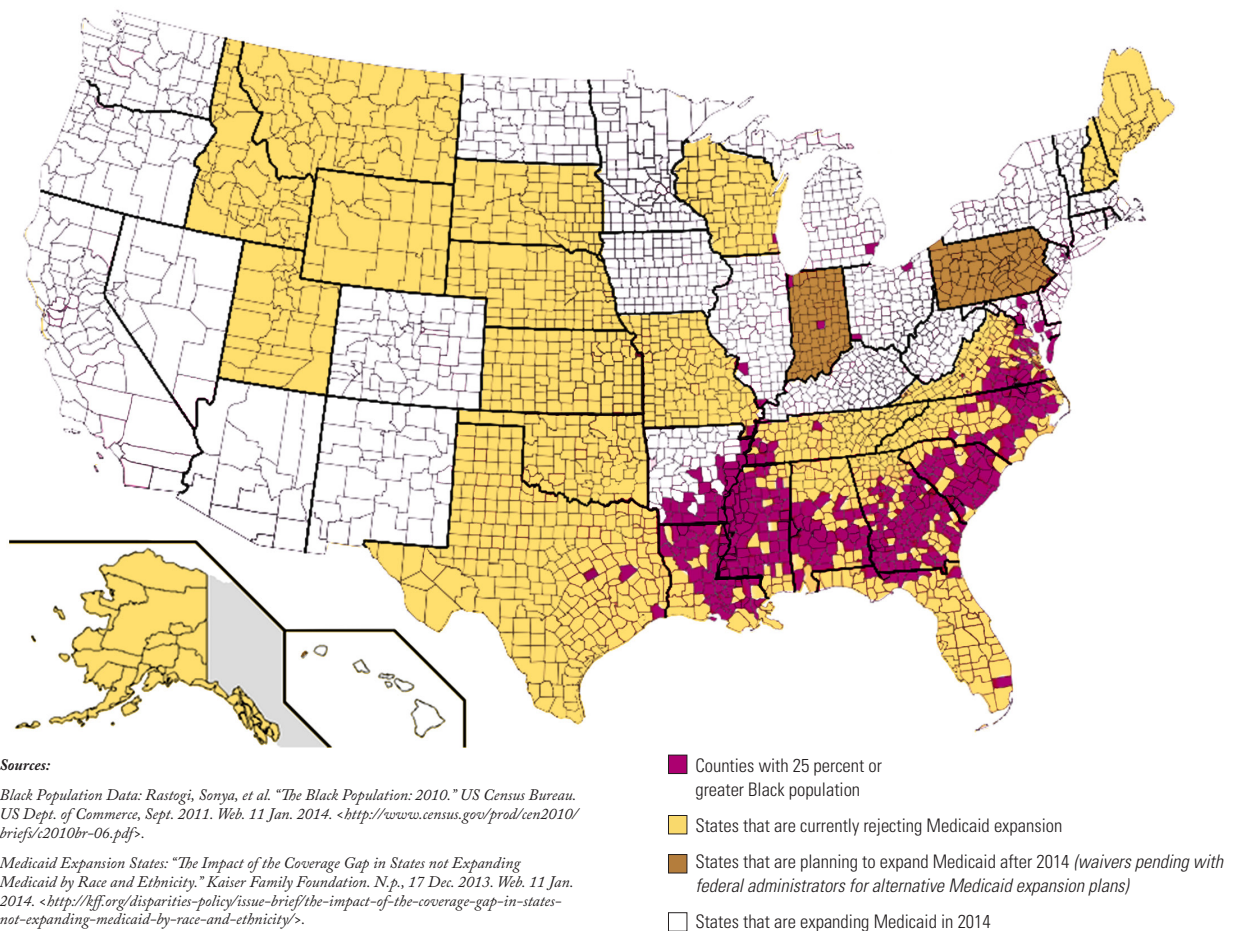
“The 26 states [now 25] that have rejected the Medicaid expansion are home to about half of the country’s population, but about 68 percent of poor, uninsured blacks and single mothers. About 60 percent of the country’s uninsured working poor are in those states...

“The irony is that these states that are rejecting Medicaid expansion — many of them Southern — are the very places where the concentration of poverty and lack of health insurance are the most acute,” said Dr. H. Jack Geiger, a founder of the community health center model.”⁷²

Exclusion of Blacks from Expanded Insurance Options

Blacks in particular are impacted because many of the states that have rejected the Medicaid expansion are Southern states in the heart of the “Black Belt” — a region of the U.S. stretching from Virginia through Georgia, and across to

Figure 5: States with Large Black Populations are Refusing the ACA’s Medicaid Expansion



Louisiana and Arkansas, where Blacks constitute a significant portion of the population (Figure 5).

Every state in the South, with the exceptions of Arkansas and the border state of Kentucky, has rejected the Medicaid expansion.⁷³ While Blacks only make up 13 percent of the nation's population (excluding undocumented immigrants),⁷⁴ they represent 27 percent of those who will fall through the new 25-state coverage gap (Figure 6).⁷⁵

One can speculate about why states with large populations of uninsured Blacks are refusing to expand their Medicaid under the ACA. Nonetheless, it must be acknowledged that race and racially coded language remain potent tools to demonize government programs that would also help Whites:

“Dr. Aaron Shirley, a physician who has worked for better health care for blacks in Mississippi, said that the history of segregation and violence against blacks still informs the way people see one another, particularly in the South, making some whites reluctant to support programs that they believe benefit blacks.

...If you look at the history of Mississippi, politicians have used race to oppose minimum wage, Head Start, all these social programs. It's a tactic that appeals to people who would rather suffer themselves than see a black person benefit.”⁷⁶

Exclusion of Latinos from New Health Insurance Options:

The ACA as originally drafted prohibits the 11 million undocumented immigrants living in the country, 8.6 million of whom are from Mexico and other Latin American nations,⁷⁷ from receiving

benefits under the Medicaid expansion. It also prohibits them from buying — even with their own money — insurance in the health insurance exchanges. Even *legal* immigrants who have lived in the country for less than five years are prohibited from receiving benefits under the ACA.⁷⁸

Even documented immigrants and long-time residents of Latino ancestry who would otherwise qualify for the Medicaid expansion are being disproportionately left out of the benefits of the ACA. Latinos represent 15 percent of the nation's population (excluding undocumented immigrants),⁷⁹ but they represent 21 percent of those who will now fall through the 25-state coverage gap (Figure 6).⁸⁰

One of the states not expanding Medicaid is Texas, which is 38 percent Latino.⁸¹ Texas' decision will result in over one million Texans going without health insurance.⁸² Gladys Arbila, with her \$17,000-a-year housekeeping job, is one of them. She was recently quoted in the *New York Times*:

“We came to this country, and we are legal and we work really hard,” said Ms. Arbila, 45, who immigrated to the United States 12 years ago, and whose son is a soldier in Afghanistan. “Why we don't have the same opportunities as the others?”⁸³

It's clear that the fight over the ACA will continue well into 2014. Central to ensuring that the ACA extends coverage as broadly as possible is the state-by-state fight over the ACA's Medicaid expansion provision. However, other factors will also be important, including the persistent disparities of health access and outcomes, the quality of education and outreach efforts, and

the many lesser-known provisions of the ACA aimed at expanding health services available in low-income communities, increasing the number of practitioners of color, and improving doctor-patient communication.

Strategies and Policy Recommendations

“Now is the time to lift our national policy from the quicksand of racial injustice to the solid rock of human dignity.”

— Letter from a Birmingham Jail, Dr. King, 1963.⁸⁴

Making the Affordable Care Act Work

While we should never lose sight of the long-term objective of achieving a universal, single-payer healthcare system, the historic window of opportunity before us at this moment centers on effective implementation of the ACA. In the months ahead, we must engage in the state-by-state fights over implementation of the Affordable Care Act.

- **Push all of the 25 remaining states to expand their Medicaid programs under the ACA.** Doing so will ensure that nearly 5 million low-income Americans, disproportionately people of color, will gain health insurance when they otherwise would be left behind. In addition to the strong moral arguments, there are solid financial incentives for states to expand their Medicaid programs. The 25 non-participating states are sacrificing billions in federal revenue, even as their residents pay federal taxes that will be used to fund Medicaid expansion in other states.⁸⁵
- **Push states to set up their own health insurance exchanges and outreach efforts.** Without sufficient outreach and education efforts, many who are eligible for the Medicaid expansion or for subsidies in the exchanges will fail to apply. The federal government has been overwhelmed with people from states that opted not to set up their own exchanges, with a resulting shortage of funding for outreach and education efforts. States that opt to set up their own health insurance exchanges have, to date, done a better job of outreach and education for their residents.
- **Seize opportunities within the ACA to advance state-based single-payer systems like Vermont’s new Green Mountain Care.** Beginning in 2017, Vermont will become the first state in the nation to largely do away with employer-based health insurance and move to a single-payer system under the motto: *Everybody in, nobody out.* Vermont takes this motto seriously as even undocumented immigrants, who frequently work on the state’s many dairy farms, will be covered under the plan.⁸⁶ The law, passed in 2011, uses the latitude provided by the ACA for states to set up their own systems. Funding from Medicare, Medicaid, and other federal programs will help pay for the plan, which is expected to save the state money while providing more comprehensive coverage for all Vermont residents.⁸⁷

At the same time, we can work at the national level to strengthen the ACA:

- **Increase federal funding to pay 100 percent of the Medicaid expansion indefinitely.** Taking the states’ 10 percent pay-in off the table will eliminate the

political justification, however misguided, used by opponents of the ACA for not opting into the expanded Medicaid program.

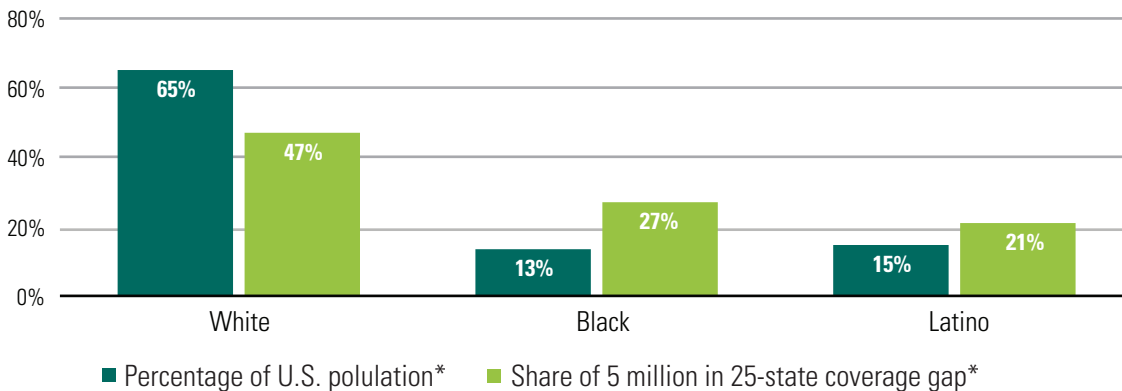
- Increase federal funding for education and outreach efforts.** Clear evidence shows that without adequate outreach efforts, many of those who would otherwise benefit from the new programs will fail to apply and will remain uninsured.
- Open up the new healthcare system to recent and undocumented immigrants.** Millions of undocumented and recent immigrants, most of whom are paying taxes into the federal system, will go without insurance as a result of the exclusion. Like all other uninsured groups, however, they will fall back on more expensive emergency room care, the costs of which will be borne by other ratepayers anyway. It is morally right and makes more sense to include them in the system.

Addressing Underlying Causes of Poor Health — Inequality, Racial Segregation, and Concentrated Poverty

As noted in this report, access to affordable health insurance is only part of the solution to narrowing the disparities in health outcomes. Concentrated poverty, and all that comes with it, must also be addressed.

- Take race into consideration.** Policies that fail to account for race have a tendency simply to replicate past injustices. This is why affirmative action is still important and why encouraging the training of more medical practitioners of color — as the ACA does — should be a goal.
- Raise incomes and increase employment.** Efforts that raise the economic prospects for low-income communities will tend to have ripple effects across communities of color. Raising the minimum wage to \$15 per hour

Figure 6: Blacks and Latinos Disproportionately Impacted by 25-State Coverage Gap



* Excludes undocumented immigrants.

Sources: Population Data: Original calculation using data from two sources: "State and County Quick Facts." U.S. Census Bureau. N.d. Web. 31 Dec. 2013. <<http://quickfacts.census.gov/qfd/states/00000.html>> and Passel, Jeffrey S. "Estimates of the Size and Characteristics of the Undocumented Population." Pew Hispanic Center. 21 Mar. 2005. Web. 31 Dec. 2013. <<http://pewhispanic.org/files/reports/44.pdf>>. See Methodology Section for details on this calculation.

Share of Coverage Gap: "The Impact of the Coverage Gap in States not Expanding Medicaid by Race and Ethnicity." Kaiser Family Foundation. 17 Dec. 2013. Web. 31 Dec. 2013. <<http://kff.org/disparities-policy/issue-brief/the-impact-of-the-coverage-gap-in-states-not-expanding-medicaid-by-race-and-ethnicity/>>.

would be a positive step, as would introducing targeted job creation programs in economically distressed communities.

- **Increase wealth in communities of color.**

Policies that promote wealth accumulation, like Individual Development Accounts and child savings accounts, show promise. At the same time, stemming the loss of wealth by halting foreclosures is key.

- **Break up concentrated poverty and promote housing mobility.**

Portable rent vouchers and tenant-based assistance that help people of color move to less distressed and more economically mixed communities have the potential to significantly reduce negative health impacts. Strict enforcement of housing anti-discrimination laws is also important.

- **Improve health access and other conditions in distressed communities.**

Policies that promote community health centers in low-income communities should be expanded. Additionally, incentives and thoughtful planning should work to increase the number of parks, green spaces, and grocery stores in low-income communities lacking such resources.

- **Restoring the “ladders of opportunity,” funded through a progressive tax system.**

As noted earlier in this report, it was a combination of steeply progressive taxes and massive public investments in our shared prosperity and individual opportunity that created the White middle class in the United States. That same model can be adapted for the creation of a new, more racially-inclusive middle class for the 21st century.

ADDITIONAL RESOURCES

Section 3: The Racial Divide Today – By the Numbers

It's difficult to know how much more progress Blacks and Latinos might have made if the ladders of opportunity that were there for the White middle class had been left standing for others to scale. What we do know is that in the 35 years since trickle-down economics came to replace bottom-up investments in America, progress made by Blacks and Latinos in closing the vast economic chasm that separates them from White America has been minimal at best.

Education

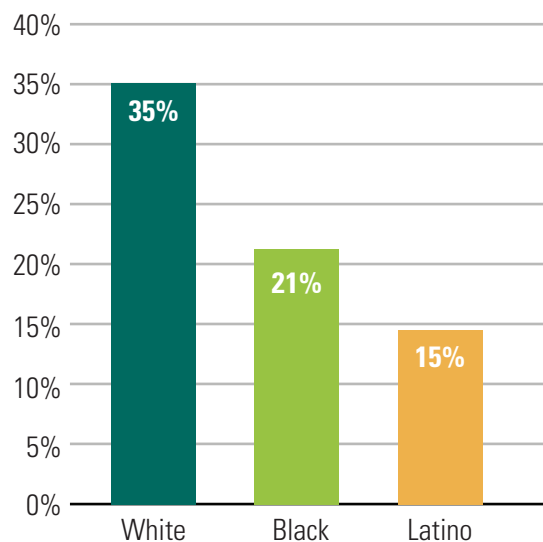
As of 2012, 35 percent of White adults (25 years of age or older) had a bachelor's degree or higher, compared to only 21 percent of Blacks and 15 percent of Latinos (Figure 7).⁸⁸

Where heavily subsidized higher education once helped build the White middle class, rising college costs and the loss of taxpayer funding are increasingly pulling up this ladder of opportunity for other racial groups. As the White share of enrollment at two- and four-year colleges and universities dropped from 81 percent in 1980 to 62 percent in 2009,⁸⁹ and people of color's share of enrollment rose, taxpayer funding of higher education shrank. In 1987, 77 percent of higher education costs, on average across the U.S., were funded through tax dollars. Tuition and fees accounted for the remaining 23 percent. By 2012,

tax dollars made up only 53 percent of higher education costs, leaving tuition and fees to fund the remaining 47 percent.⁹⁰

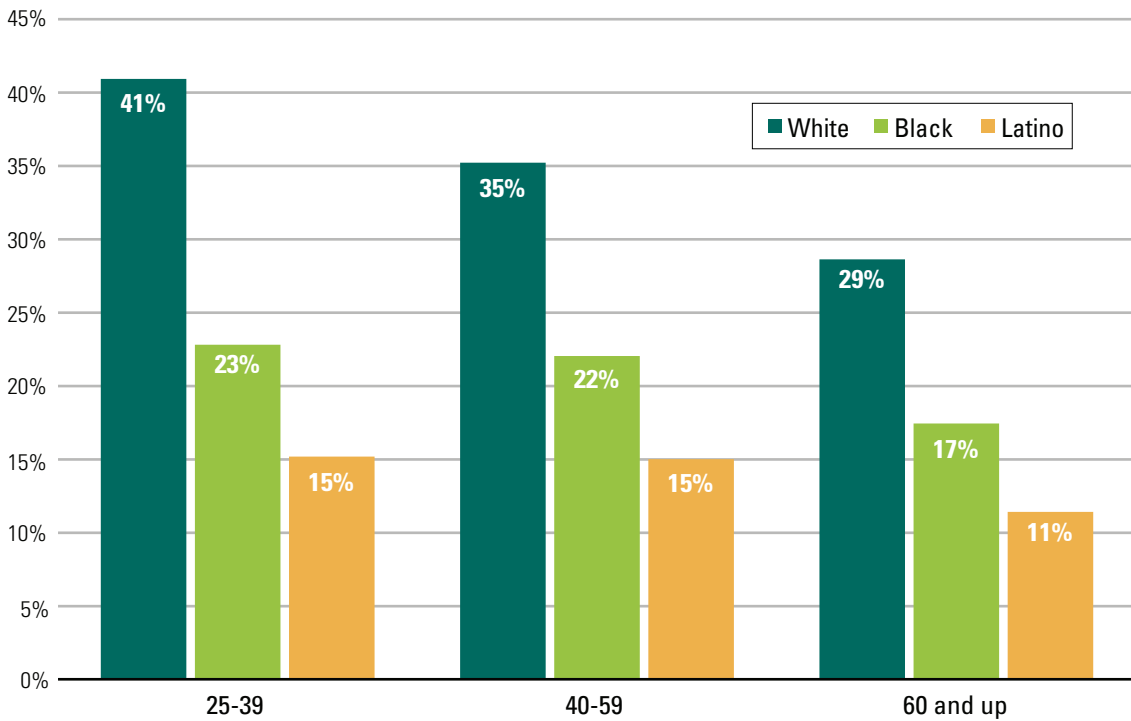
The dismantling of affirmative action programs, along with the loss of taxpayer funding for higher education, will only ensure that educational disparities persist. College graduation rates are rising for Blacks and Latinos as well as Whites. However, the racial gap in educational attainment is actually wider among younger Americans than for older Americans (Figure 8).⁹¹

Figure 7: Percentage of Population 25 Years and Older Holding Bachelor's Degree or Higher, 2012



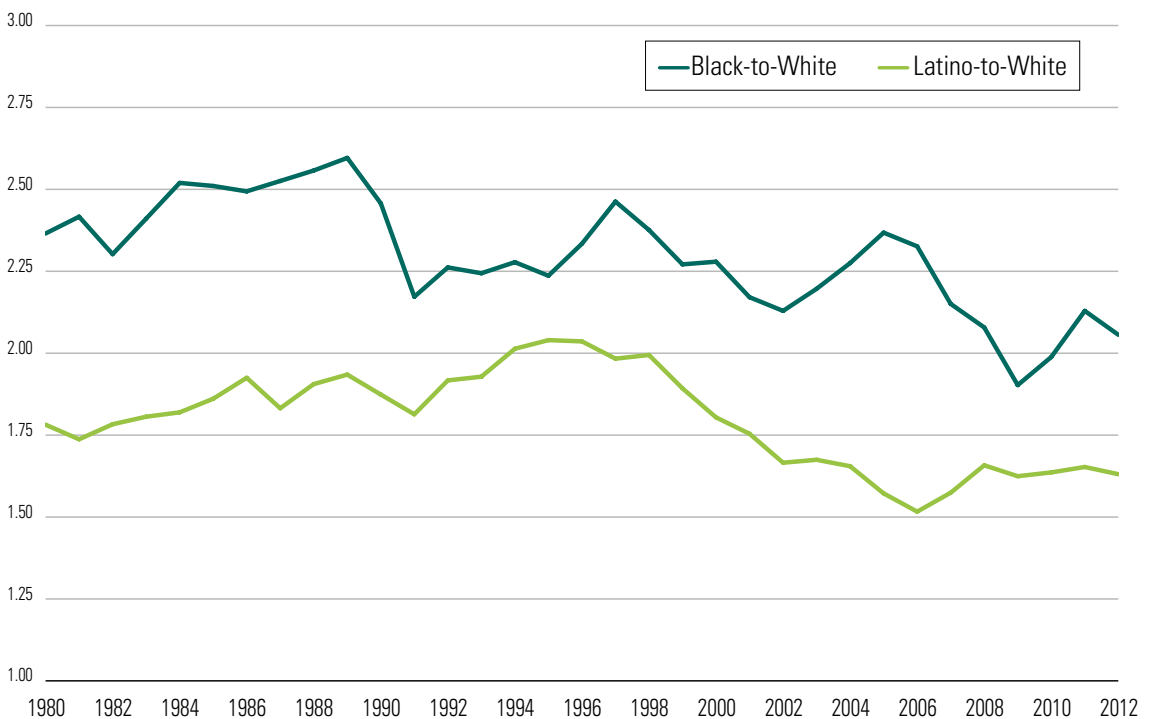
Source: U.S. Census Bureau, *Educational Attainment in the United States: 2012 – Detailed Tables, Table 2.* <<http://www.census.gov/hhes/socdemo/education/data/cps/2012/tables.html>>

Figure 8: Percentage of Population Holding Bachelor's Degree or Higher by Age and Race, 2012



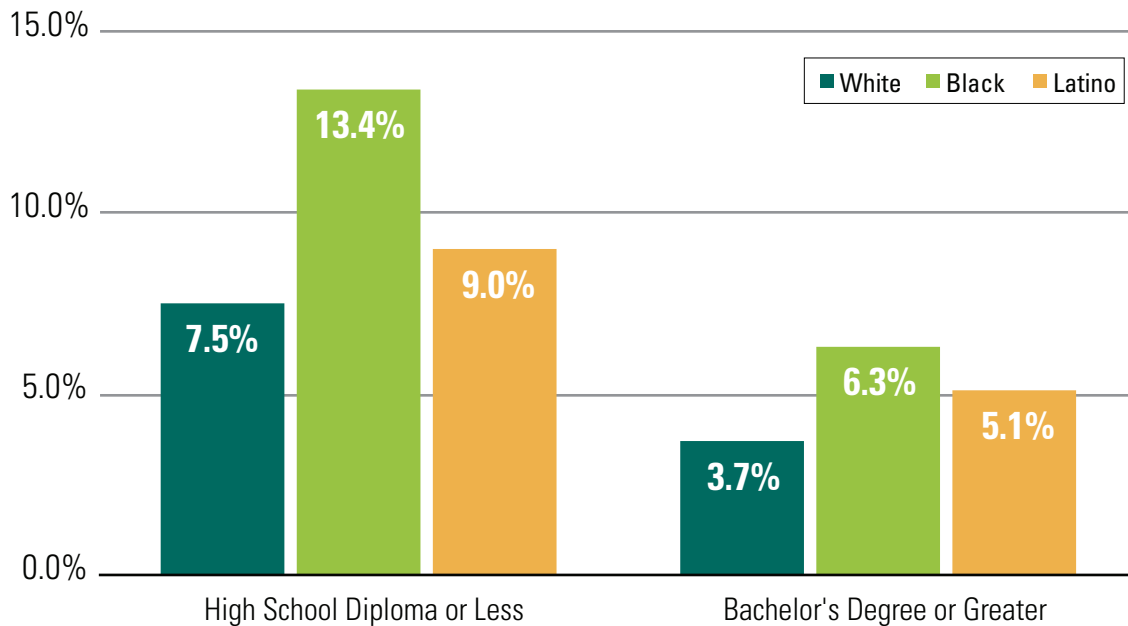
Source: Original calculations based on "Table 1. Educational Attainment of the Population 18 Years and Over, by Age, Sex, Race, and Hispanic Origin: 2012." Educational Attainment in the United States: 2012 - Detailed Tables. U.S. Census Bureau. Web. 31 Dec. 2013. <<http://www.census.gov/hhes/socdemo/education/data/cps/2012/Table1-01.xls>>.

Figure 9: Ratio of Black and Latino Unemployment Rates to White Unemployment Rate, 1980 - 2012



Source: U.S. Bureau of Labor Statistics, BLS Reports, Labor Force Characteristics by Race and Ethnicity, 2012, "Table 12. Unemployment rates by gender, race, and Hispanic or Latino ethnicity, 1972-2012 annual averages." <<http://www.bls.gov/cps/cpsrace2012.pdf>>.

Figure 10: Unemployment Rates by Educational Attainment and Race, 2012



Source: "U.S. Bureau of Labor Statistics, BLS Reports, Labor Force Characteristics by Race and Ethnicity, 2012, Table 6. Employment status of people 25 years and older by educational attainment, gender, race, and Hispanic or Latino ethnicity, 2012 annual averages." <<http://www.bls.gov/cps/race2012.pdf>>.

Unemployment

As of November 2013, the national unemployment rate was 7.0 percent. Among Blacks, it was 12.5 percent, as compared to 8.7 percent for Latinos and 6.2 percent for Whites.⁹² While these differences occasionally change, on the whole, they have remained remarkably stable over time.

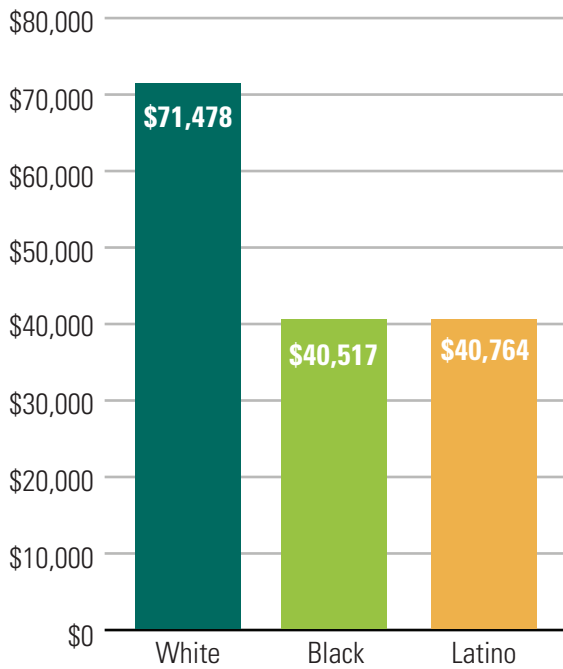
Over the past 32 years, Blacks and Latinos have made limited progress in closing the employment gap. In 1980, the Black unemployment rate was 2.3 times as high as the White unemployment rate. The Latino rate was 1.6 times as high. By November 2013, the Black unemployment rate was 2.0 times as high, and the Latino rate was 1.4 times as high as the unemployment rate among Whites (Figure 9).⁹³

It may be tempting to assume the disparity is

due to differences in educational attainment, as Blacks and Latinos are less likely to have a college degree, or even a high school diploma, and therefore would appear more likely to be unemployed for that reason. However, significant differences in unemployment rates persist regardless of educational attainment.

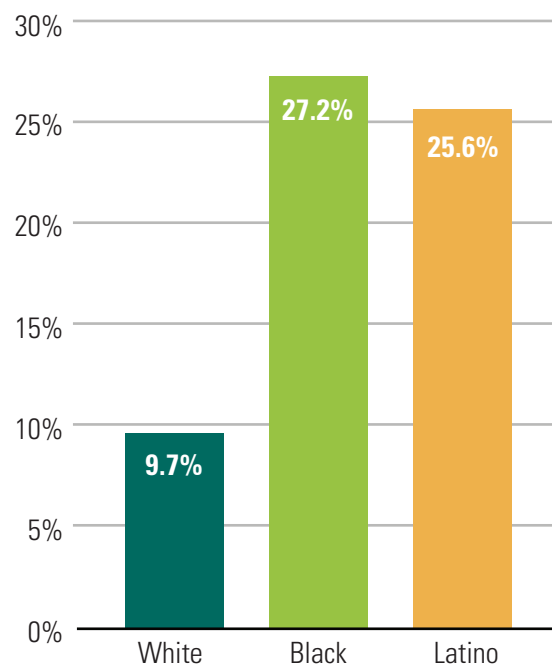
Based on 2012 annual averages, among Americans with a bachelor's degree or higher, 6.3 percent of Blacks, 5.1 percent of Latinos and 3.7 percent of Whites were unemployed (Figure 10).⁹⁴ Access to higher education will unquestionably make the lives of Black and Latino families better, and may also narrow the unemployment gap with Whites. However, to truly close the unemployment gap we must take bolder action than that. Targeted job creation programs and vigorous work to root out discrimination in hiring would be a good start.

Figure 11: Median Family Income by Race, 2012



Source: U.S. Census Bureau, "Race and Hispanic Origin of Householder — Families by Median and Mean Income," <http://www.census.gov/hhes/www/income/data/historical/families/2012/F05_2012.xls>.

Figure 12: Poverty Rates by Race, 2012



Source: U.S. Census Bureau, Historical Poverty Tables — People, Table 2. Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2012 <<http://www.census.gov/hhes/www/poverty/data/historical/hstpo2.xls>>

Income and Poverty

In 2012, the median family income for Whites was \$71,500 as compared to \$40,800 for Latinos and \$40,500 for Blacks. That is, Black and Latino families earned 57 cents to every dollar that White families earned (Figure 11). As noted in Section 1, these disparities have been fairly consistent for the last few decades.

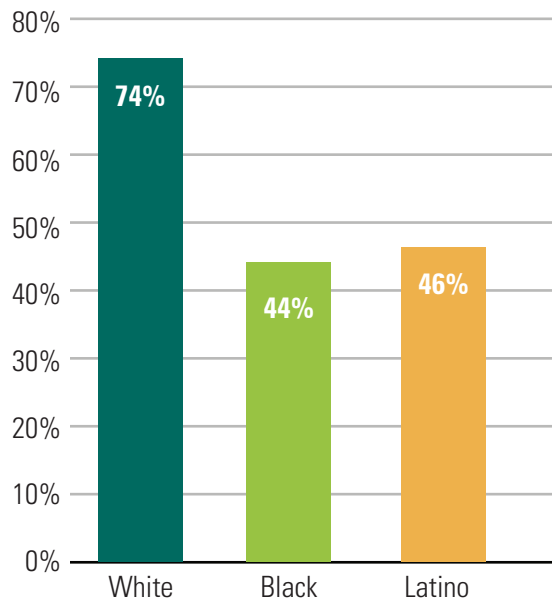
It should be noted that looking at income data for families, as opposed to households or individuals, may exaggerate the racial disparity because Blacks and Latinos are less likely to be married than Whites — and thus less likely to have multiple incomes. However, even if the comparison were limited to Black, Latino, and White men, vast disparities still exist. As of 2012,

Black men earn 64 cents and Latino men earn 63 cents to each dollar White men earn. Women of all three racial groups lag behind their male counterparts.⁹⁵

As with unemployment rates, Blacks and Latinos lag behind Whites in income even when the population considered is limited to those with a bachelor's degree or higher. That is, Black and Latino college graduates lag behind White college graduates in income, although Black and Latino college graduates still do far better than non-graduates, both in absolute income gains as well as in significantly narrowing the gap between themselves and Whites.⁹⁶

In 2012, 27 percent of Blacks and 26 percent of Latinos were living at or below the federal poverty

Figure 13: – Homeownership Rates by Race, 2012



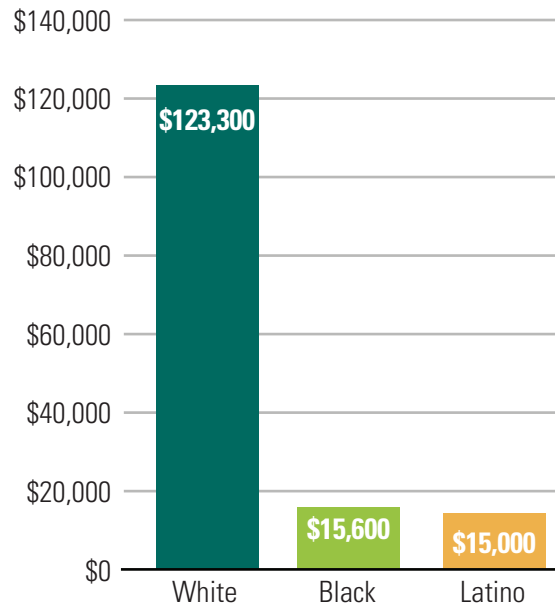
Source: U.S. Census Bureau, *Housing Vacancies and Homeownership, Table 22. Homeownership Rates by Race and Ethnicity of Householder: 1994 to 2012* <http://www.census.gov/housing/hros/files/annual12/ann12t_22.xls>

line (\$11,200 for an individual, \$23,000 for a family of four), compared to 10 percent of Whites (Figure 12).⁹⁷ Over half of Blacks and Latinos (51 and 55 percent respectively) were living below 200 percent of the poverty line, vs. 26 percent of Whites.⁹⁸

Home Ownership and Wealth

In 2012, 74 percent of Whites owned their own homes, compared to 44 percent of Blacks and 46 percent of Latinos (Figure 13). Home ownership has declined for all three groups since 2006, the peak year for the housing bubble that subsequently imploded and touched off a disastrous financial crisis. But it declined more steeply for Blacks and Latinos. In 2006, 76 percent of Whites, 48 percent of Blacks, and 50 percent of Latinos owned their own homes.⁹⁹ Predatory

Figure 14: Median Household Wealth by Race, 2010



Source: Original analysis based on 2010 Survey of Consumer Finances, Board of Governors of the Federal Reserve Board, <http://www.federalreserve.gov/econresdata/scf/scf_2010.htm>

lending in communities of color was a major contributor to the crisis and to the subsequent loss of wealth in these communities.¹⁰⁰

Household wealth is the value of a household's assets — home, investments, savings, car, etc. — less what the household owes in debt. Having wealth enables one to take time off of work to care for children or an elderly parent, to go back to school, or to start a small business. Wealth also provides one with a financial cushion in case of an extended illness.

Unlike income, wealth can be transferred from generation to generation, in the form of inheritance and gifts throughout one's lifetime (such as help to buy a car or first home, paying tuition, etc.). So when one looks at disparities in wealth, one is looking not only at the inequalities of today, but at the accumulated inequalities of the past.

As of 2010, the most recent year for which comprehensive data are available, the median White household — the one at the center of the wealth distribution — had \$123,300 in net wealth. This contrasts sharply with \$15,600 for Blacks and \$15,000 for Latinos. Looked at another way, Blacks held 13 cents of net wealth and Latinos held 12 cents of net wealth to every dollar Whites held (Figure 14).

Section 4: Building the Dream - An Organizer's Toolbox

Introduction to the Organizer's Toolbox

United for a Fair Economy believes that long-term, systemic change will require a social justice movement that is broad-based and multi-racial. Building such a movement will require an open and honest discussion about the role race has played in fueling the vast inequalities we see in our society today.

What follows is a selection of workshop exercises that can be used in communities — at union halls, worker centers, church groups, schools, and community organizations — to stimulate a deeper dialogue about race and economic inequality.

- The first and second workshops explore the history of public policies that built the White middle class, while simultaneously keeping other groups down — a theme we explored in Section 1 of this report.
- The third workshop explores the links between racism — including the concentrated poverty many communities of color face — and the vast disparities in health outcomes we explored in Section 2 of this report.

As White privilege educator Peggy McIntosh frequently notes, we are all born into a history that we did not invent, and our respective lives are shaped by that history. The goal of these workshops is not to blame, but to come to a deeper understanding of that history, and together, map a pathway forward to a more just and equitable future — a future that we will build together.

Boosts and Blocks — A Timeline Activity

The Roots of the Racial Economic Divide in the U.S.

OVERVIEW:

This activity gives participants an opportunity to review the impact of various laws, policies, events, and trends on the accumulation of wealth among various racial and ethnic groups in the U.S. Participants reflect on and share their own family and ancestral stories, placing them on a historical timeline — from colonial times to the present.

TRAINER'S GOALS:

- Explore the history of racial wealth inequality in the U.S.
- Help participants connect their families' stories to the larger history of wealth and inequality.
- Help participants grapple with the long history of racialized policies that boosted opportunities for Whites while blocking wealth accumulation for other groups.

PREPARATION:

This activity works best with a printed timeline, approximately 3' wide by 8' long, that is attached on the wall lengthwise prior to the start of the workshop. [A free electronic version of the timeline can be downloaded from UFE's web site <http://faireconomy.org/projects/racial_wealth_divide/history> and sent to a copy shop to print a large-format black and white copy for about \$20 — color is better but more expensive.]

Also have on hand a few pads of sticky notes and several Sharpie-type markers.

ACTIVITY INSTRUCTIONS:

1. Ask the participants to take a few minutes to think about their family and ancestral history.

Talking Point:

We recognize that some people may not know a lot of details about their family's history or they may know only their parents' or grandparents' stories. Other people — particularly recent immigrants — have a relatively short family history in the U.S. or histories that are unknown to some extent. We also want to acknowledge that aspects of one's family history may be particularly painful to share (stories of slavery and other forms of oppression or persecution, for example). This is fine. We only ask people to reveal what they are comfortable sharing.

2. Distribute sticky notes to all, and ask participants to take one or two. Then ask pairs of participants to share with each other, to the best of their knowledge, the story of why, when, and how the first member of their family came to the U.S. Pose questions that will help the participants share the parts of their family histories that relate to racial wealth inequality. Give each member of the pairs a couple of minutes to tell their stories.

3. After 5-6 minutes, ask the participants to take a marker and write the name of this ancestor or family member on a sticky note and affix it in the appropriate decade on the Boosts & Blocks Timeline. Ask participants to look at the Timeline, sharing what they know about particular events, laws, or trends, and what they imagine might be their significance (economically) for their families and their communities. [It is important that the facilitators familiarize themselves as much as possible with the items on the Timeline. It is also desirable to draw from local histories and current events to make the Timeline more relevant.]

Talking Points:

It is very important to examine history when we try to figure out why things are the way they are today. History helps us understand that the way that things are today is not "natural," the way they have to be, or pre-ordained. By examining our history, we learn that economic, political, and cultural forces have made things what they are today.

When we examine history we should pay close attention to the fundamental role that government policies played in shaping the distribution of wealth, especially the racial wealth divide.

Racialized groups have been impacted by public policies created specifically to limit their rights as human beings and as citizens. These discriminatory public policies have often systematically blocked wealth accumulation while opening opportunities for White people.

Even so-called "color blind" policies have had racialized outcomes. For example, although African-Americans who had served in the U.S. military during World War II were entitled to free college education and subsidized home mortgages thanks to the GI Bill, many universities systematically blocked African-Americans and other veterans of color and women from becoming students; and real estate owners, brokers, and local ordinances blocked Black people from buying homes in desirable neighborhoods. It is important that we ask not only whether there is equality of opportunity but whether there is equality of condition and equality of outcome.

USEFUL RESOURCE:

- Thomas Shapiro, Tatjana Meschede, Sam Osoro, "The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide," Institute on Assets and Social Policy - Research and Policy Brief, February 2013.
- Meizhu Lui et al., *The Color of Wealth - The Story of the U.S. Racial Wealth Divide* (The New Press, 2007).
- Dalton Conley: *Being Black, Living in the Red: Race, Wealth, and Social Policy in America* (University of California, 1999; updated 2010).

Step Forward, Step Back

The Roots of the Racial Economic Divide in the U.S.: An Unlevel Playing Field

OVERVIEW:

This “human graph” activity gives participants an opportunity to compare the differential impact of various laws, policies, events, and trends on the economic and social circumstances of different racial groups in the U.S. Volunteer participants step forward or back in response to statements by the facilitator, then engage in a dialogue about what they see. This activity works best with a diverse group of participants.

TRAINER’S GOALS:

- Explore the history of racial wealth inequality in the U.S.
- Help participants connect their families’ stories to the larger history of wealth and inequality.
- Help participants grapple with the long history of racialized policies that boosted opportunities for Whites while blocking wealth accumulation for other groups.

PREPARATION:

Prior to the start of the workshop, review the “Playing Field” statements below and select those that will best fit the participants. If the group is homogeneous, an option is to have volunteers do a role-play using prepared descriptions of the roles. (See “Playing Field Roles” below. Feel free to add roles that you feel would enhance this activity.)

For simplicity, the workshop is organized so that each statement results in one step forward or one step back to indicate advantage of disadvantage, not the scale of that advantage. We know however that reality is more complex than that. Some policies have had a much greater impact than a single step — slavery for example. Facilitators may wish to increase the number of steps for some of the questions, but the main point of the exercise is to make clear that policies advantaged some groups and disadvantaged others.

It is helpful to have an easel, flip chart pad (or a whiteboard) and markers for transcribing comments in the full group discussion.

ACTIVITY INSTRUCTIONS:

1. Ask volunteers (the entire group is best) to stand shoulder-to-shoulder, facing the same direction, on a line in the middle of an open floor space. It is important to make clear that it is absolutely okay if someone does not want to share — or doesn’t know — details of their family history. They can be observers.

Talking Point:

This activity is intended to explore the impact of laws, policies, events, etc., on the particular environmental, social, historical, and political circumstances of individuals, families, communities, and groups.

2. Ask participants to imagine that they are in a race for wealth, with the “finish line” on the far wall, and that they are standing on the starting line. Explain that you will read a number of statements. (See the Playing Field statements below. Feel free to add statements that you feel would enhance this activity.) At the end of each statement, there will be an instruction to step forward or step back. Whoever the statement applies to will step in the indicated direction. Participants to whom the statement does not apply will stand still. You should read at least 10 of the Playing Field statements.
3. After the last statement, pause for a moment, and ask the participants, without moving, to look around at where they're standing and where others are. (As facilitator, you should also notice where people are. Pay attention to participants' reactions during the exercise as well as after it. Use what you observe during the subsequent discussion and processing.) Ask the participants to describe what they see, and to share what conclusions they draw from what they see.

Talking Points:

Since colonial times in the U.S., the people running local, state, and national governments have made rules that ensured there would not be an equal playing field for economic and political rights. For example, rules determined who could own land, who could vote, and who could be kept as slaves or indentured servants.

Racialized government policies have been key in supporting the accumulation of wealth for White people. For example, laws permitted Whites to own Africans as slaves, Chinese immigrants could not own land, and Native Americans were forcibly removed from their ancestral homes. Even in the 20th century, the Federal Housing Administration (FHA) adopted the practice of “red-lining,” a discriminatory rating system used to evaluate the risks associated with mortgage loans in specific urban neighborhoods. Similarly, the Social Security Act (1935) excluded agricultural workers and domestics, disproportionately of African and Latin American descent, until the law was amended in the 1950s.

Other government policies that helped White people gain wealth while excluding others included the Homestead Act of 1862 and the GI Bill, among many other policies.

All White people, no matter when they came to the U.S. have benefited from this racialized society, which gives Whites advantages over other groups. From the Naturalization Act of 1795, that specified that citizenship was reserved only for “free white person[s],” to Arizona’s recently-passed law (SB1070) that gives police the right to stop anyone who they deem “looks like” they might be here illegally.

Most people with great wealth inherited most of it. Inherited wealth is not wealth people earn by their own hard work — it is unearned wealth. Much of this unearned wealth was the product of white supremacist policies. Therefore, the wealth advantages that many White people have today are based on past exploitation. The institution of slavery — which lasted for 300 years in the U.S. — is a good example of a past exploitation with a continuing legacy.

Wealth opportunities and obstacles continue to impact the present because wealth is transferred from one generation to another. Past advantages allow for wealth to be transferred to others, increasing the likelihood of the inheritors continuing to have an advantage in accumulating wealth.

priv-i-lege (prv-lj, prvlj) *n.* A special advantage, immunity, permission, right, or benefit granted to or enjoyed by an individual, class, or caste. Such an advantage, immunity, or right held as a prerogative of status or rank, and exercised to the exclusion or detriment of others.

USEFUL RESOURCES:

- Dalton Conley: *Being Black, Living in the Red: Race, Wealth, and Social Policy in America* (University of California, 1999; updated 2010).
- Thomas Shapiro, Tatjana Meschede, Sam Osoro, “The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide,” Institute on Assets and Social Policy - Research and Policy Brief, February 2013.

PLAYING FIELD STATEMENTS:

- If your ancestors lost land due to conquest by European colonizers or the U.S. government, take one step back.
- If your ancestors were enslaved Africans, take one step back.
- If you or your ancestors arrived as a refugee or immigrant from a country targeted as a communist enemy by the United States, such as Cuba, Nicaragua, Vietnam or the Soviet Union, take one step forward.
- If your ancestors arrived as Catholic or Jewish immigrants from Europe before 1950, take one step back.
- If you or your ancestors arrived as racialized immigrants from Africa, Asia, Latin America, or from the Caribbean, take one step back.
- If your ancestors were forced to live on an Indian reservation, take one step back.
- If your grandparents or parents got Social Security benefits between 1935 and 1950, take one step forward.
- If your parents or grandparents did domestic or agricultural work between 1935 and 1950 (and were therefore ineligible for Social Security benefits), take one step back.
- If your ancestors belonged to a trade union that was open to Whites only, take one step forward.
- If you or your ancestors got mortgages through low-cost Veterans Association or Federal Housing Administration loans, take one step forward.
- If you or your ancestors went to college on the GI Bill, take one step forward.
- If your ancestors were denied the right to be part of a trade union because of their race, take one step back.
- If you or your ancestors were denied business opportunities because laws confined your businesses to your own racial communities exclusively, take one step back.
- If you are a U.S. citizen and all your U.S. family and ancestors have been citizens and eligible to vote, take one step forward.
- If you or your ancestors were legally prevented from using the legal system to protect your lives and property, take one step back.
- If you or your ancestors owned a home in a community that is more than 80% White, take one step forward.
- If you or your ancestors inherited more than \$10,000, take one step forward.
- If you were born in the United States, take one step forward.
- If English is your first language, take one step forward.
- If you were born outside of the United States, take one step back.
- If you are female and have experienced sexual discrimination or harassment on a job, take one step back.
- If you are the child of one or two parents who completed college, take one step forward.
- If your family owned the house you grew up or live in, take one step forward.
- If you have traveled to another country for pleasure or work, take one step forward.
- If either of your parents was laid off from a job, take one step back.
- If you grew up in a house that your parent(s) did not own, take one step back.
- If you have had difficulty finding a band-aid to match the color of your skin, take one step back.
- If someone in your family has ever been incarcerated, take one step back.
- If you cannot legally vote, take one step back.
- If you have never had to live with and take care of a family member who has been ill or disabled, take one step forward.
- If you had more than 50 books in your house while growing up, take one step forward.
- If you often feel unsafe walking alone after dark, take one step back.
- If you've ever been followed or harassed in a store because of your race, gender, religion, age, or sexual orientation, take one step back.
- If your family owned a vacation home when you were growing up, take one step forward.
- If you attended elementary schools where the majority of your teachers and school administrators were the same racial background as you, step forward.
- If your parents took you to museums, plays, or concerts while you were growing up, take one step forward.
- If you grew up with enough food in your house consistently, take one step forward.
- If your school had a metal detector, take one step back.
- If you can be legally married in your state but still can't receive full federal government recognition and benefits for your marriage, take one step back.
- If you have visible or invisible disabilities, take one step back.
- If you or your family ever received government assistance in the form of food stamps, WIC coupons, or other "welfare" benefits, take one step back.
- If while you were growing up your parents told you that you could be anything you wanted to be, take one step forward.
- If you attended private school, take one step forward.
- If you or your family employed a maid, nanny, or gardener, take one step forward.
- If your elementary or high school had an inadequate supply of textbooks, take one step back.
- If you or anyone in your family attended college as a "legacy" student, take one step forward.

PLAYING FIELD ROLES:

- You are a **descendant of an immigrant from Eastern Europe.**

Your great-great-grandfather, a farmer, came from Poland because of crop failures. A year after arriving in this country, he was able to acquire land through the Homestead Act of 1862. Once again, he made a living through farming, this time on territory once owned by Native Americans. Many years later, his great-grandson — your father — served in the army during World War II. When he returned from the war, he was able to take advantage of the GI Bill, eventually buying the house in which you were raised.

The Homestead Act was one of several Federal laws that gave an applicant up to 160 acres of undeveloped land, outside of the original 13 colonies.

The GI Bill provided college or vocational education for returning World War II veterans. It also provided different types of loans for returning veterans to buy homes and start businesses.

- You are a **descendant of a woman captured in West Africa** and brought to this country and enslaved.

Your great-great-great-grandmother was a slave in Jamestown, Virginia and had nine children, most of whom were sold to other landowners. With the help of free African Americans and White sympathizers, one of her sons, your great-great-grandfather, escaped to the North on the Underground Railroad. He worked in a blacksmith's shop for many years. Eventually, his descendants ended up in Philadelphia, where you were raised.

The Dred Scott Decision (1857): The United States Supreme Court, led by Chief Justice Taney, ruled that no Blacks — enslaved or free — could ever be considered citizens of the United States.

- You are a **descendant of a family that came to the United States from Spain.**

Your great-great-grandparents lived all their lives in the area we know now as Phoenix, Arizona. Then it was part of Mexico. Following the Mexican-American war, the land of your ancestors became part of the United States. Your family has lived in the southwest ever since. Your parents moved to Los Angeles, where you grew up.

The Treaty of Guadalupe Hidalgo was the peace treaty that ended the Mexican-American War (1846 — 1848). The treaty ceded over 900,000 square miles of territory to the United States (parts of New Mexico, Arizona, Texas, & California).

- You are a **descendant of a man from the Chinese city of Hainan.**

Your great-grandfather came to San Francisco by boat in the 1860s because of famine in China. He eventually found work building the Central Pacific railroad. Years later, when he tried to bring the rest of his family here, they were prevented from joining him by the Chinese Exclusion Act. Eventually, his descendants settled in New York City's Chinatown, where you grew up.

Chinese Exclusion Act of 1882 established a 10-year moratorium on the immigration of Chinese workers into the U.S.

- You are the **descendant of Native Americans.**

Your ancestors were Cherokees who lived in what is now the state of Georgia for hundreds of years. More and more White settlers entered your ancestors' land as the United States expanded. The Indian Removal Act, passed by Congress in 1830, paved the way for the relocation of the Cherokee people to the Oklahoma territory in 1838 by the U.S. army. This forced eviction came to be known as the "Trail of Tears." Your great-grandparents and grandparents lived their whole lives on a reservation in Oklahoma. Your father served in the armed forces in Vietnam and was wounded in battle and disabled.

Unnatural Causes Film Clip & Discussion

Disparities in Health Outcomes & Health Access

OVERVIEW:

In this activity, the facilitator screens a couple of short clips from the "Unnatural Causes" documentary series, then engages participants in a dialogue by asking a set of open-ended questions about what they observed in the clips and what conclusions they draw.

TRAINER'S GOALS:

- Explore the connection between economic inequality and racial disparities in health outcomes.

PREPARATION:

The DVD of the complete documentary video series "Unnatural Causes — Is Inequality Making Us Sick?" is available from California Newsreel <www.newsreel.org/video/UNNATURAL-CAUSES> for \$50. However, many clips from the video series can be viewed for free from their web site. Facilitators should preview the video clips prior to leading the activity.

A computer, projector, and screen are necessary for showing the DVD. Internet access is necessary if streaming video clips directly from the California Newsreel web site.

An easel, flip chart pad (or a whiteboard) and markers for transcribing comments in the group discussion are helpful.

ACTIVITY INSTRUCTIONS:

1. Introduce the activity:

Talking Points:

The video clip we are about to see will help us explore the connection between income and wealth inequality and health outcomes among people of color. The first clip is an introduction to the documentary video series called "Unnatural Causes — Is Inequality

Making Us Sick?” and presents an overview of the series.

“Unnatural Causes” explores how population health is shaped by the social and economic conditions in which we are born, live and work. Through portraits of individuals and families across the United States, the series reveals the root causes and extent of our alarming health inequities and searches for solutions. Along the way it confronts the inadequacy of conventional explanations such as genetics, individual behaviors or even access to quality healthcare.

2. Screen the first clip (about 5 mins.), “Health in America,” from Episode 1 — In Sickness and In Wealth <http://www.unnaturalcauses.org/video_clips_detail.php?res_id=213>. Ask participants to describe what struck them about what they just saw and heard.

Talking Point:

People typically view and interpret health outcomes and social inequities through three dominant message frames that ultimately reinforce the status quo. (1) Personal responsibility: Poor health stems from individuals making unhealthy choices. We can encourage people to exercise and eat right, but it’s up to them. (2) Unfortunate but not unjust. Hierarchies are everywhere. Life isn’t fair, and differences in group health, like wealth disparities, will always be with us. (3) Nothing can be done. If health inequities do in fact arise from structural inequities in the rest of society, then what can be done short of a revolution? But if we address the data from an equity perspective, then we can redirect our attention away from blame and victimization towards larger structural conditions, collective problem-solving and policy change.

3. Screen the second clip (about 4 mins.), “How Racism Impacts Pregnancy Outcomes,” which is only available on the “Unnatural Causes” website <http://www.unnaturalcauses.org/video_clips_detail.php?res_id=213>. Ask participants to name one thing that they saw or heard. Ask how it makes them feel.

Talking Point:

Images and stories are powerful. They almost always elicit strong feelings. It is important to be aware of our feelings because they can motivate us to act.

Ask participants what elements depicted in this clip reflect their community.

Talking Points:

Inequities in health — arising from racial and class-based inequities — are the result of decisions that we as a society have made. The United States has by far the most inequality in the industrialized world — and the worst health. The top 1% now owns more wealth than the bottom 90% combined. Tax breaks for the rich, deregulation, the decline of unions, racism, segregation, outsourcing, globalization and cuts in social

programs destabilize communities and channel wealth, power and health to the few at the expense of the many. Economic inequality in the U.S. is now greater than at any time since the 1920s.

4. Screen the third clip (about 5 mins.), "Louisville's Rubbertown Neighborhood Fights against Toxic Emissions," from the Unnatural Causes website only <http://www.unnaturalcauses.org/video_clips_detail.php?res_id=213>. Ask participants what struck them about this clip.

Talking Points:

Because our health is shaped by public policies and larger socio-economic conditions, improving population health demands a collective response, not just an individual one. Our society can put in place different rules. Other industrialized nations already have, in two important ways: they make sure there's less inequality (e.g., in Sweden the relative child poverty rate is 4%, compared to 21% in the U.S.), and they enact policies that protect people from health threats regardless of personal resources (e.g., in Finland, good schools and healthcare are available to everyone, not just the affluent). As a result, on average, citizens of those countries live healthier, longer lives than we do.

Talk about what people might do together that they would not be able to do working alone. Who are natural allies? What other groups can be engaged — community residents, government agencies or elected officials, churches and other community-based organizations, the media, foundations?

ADDITIONAL RESOURCES:

- Discussion Guide for "Unnatural Causes" documentary video series. <http://www.unnaturalcauses.org/assets/uploads/file/UC_DiscussionGuide_All.pdf>
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METHODOLOGY AND ENDNOTES

Race Terminology: Throughout this report, we use White to refer to what is listed in most governmental publications as “white, non-Hispanic.” Black refers to what is typically listed as black or “black, non-Hispanic.” We use Latino to refer to what is listed in most governmental data sets as Hispanic or “Hispanic, any race.”

Excluding Undocumented Immigrants from Census Figures: In demonstrating the disproportionate impact of the 25-state coverage gap on different racial groups, we compare the share of overall population, less undocumented immigrants who do not qualify for benefits under the ACA, to the share that falls through the 25-state coverage gap.

The Census is designed to count everyone living in the United States, regardless of immigration status. In backing out the undocumented immigrant population from Census data, we assume, based on data from The Pew Hispanic Center available at <http://pewhispanic.org/files/reports/44.pdf>, that 78% of undocumented immigrants from Mexico and other Latin American countries are Latino, that the 6% of undocumented immigrants from Europe and Canada are White, and that the 4 percent of undocumented immigrants from Africa are Black (the remaining 13 percent are from Asia). The total estimated number of undocumented immigrants, 11 million, is removed from the overall Census count, and the respective share is removed from each demographic group accordingly.

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*“Of all the forms of inequality,
injustice in health care is the most
shocking and inhumane.”*

– Dr. Martin Luther King, 1966

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