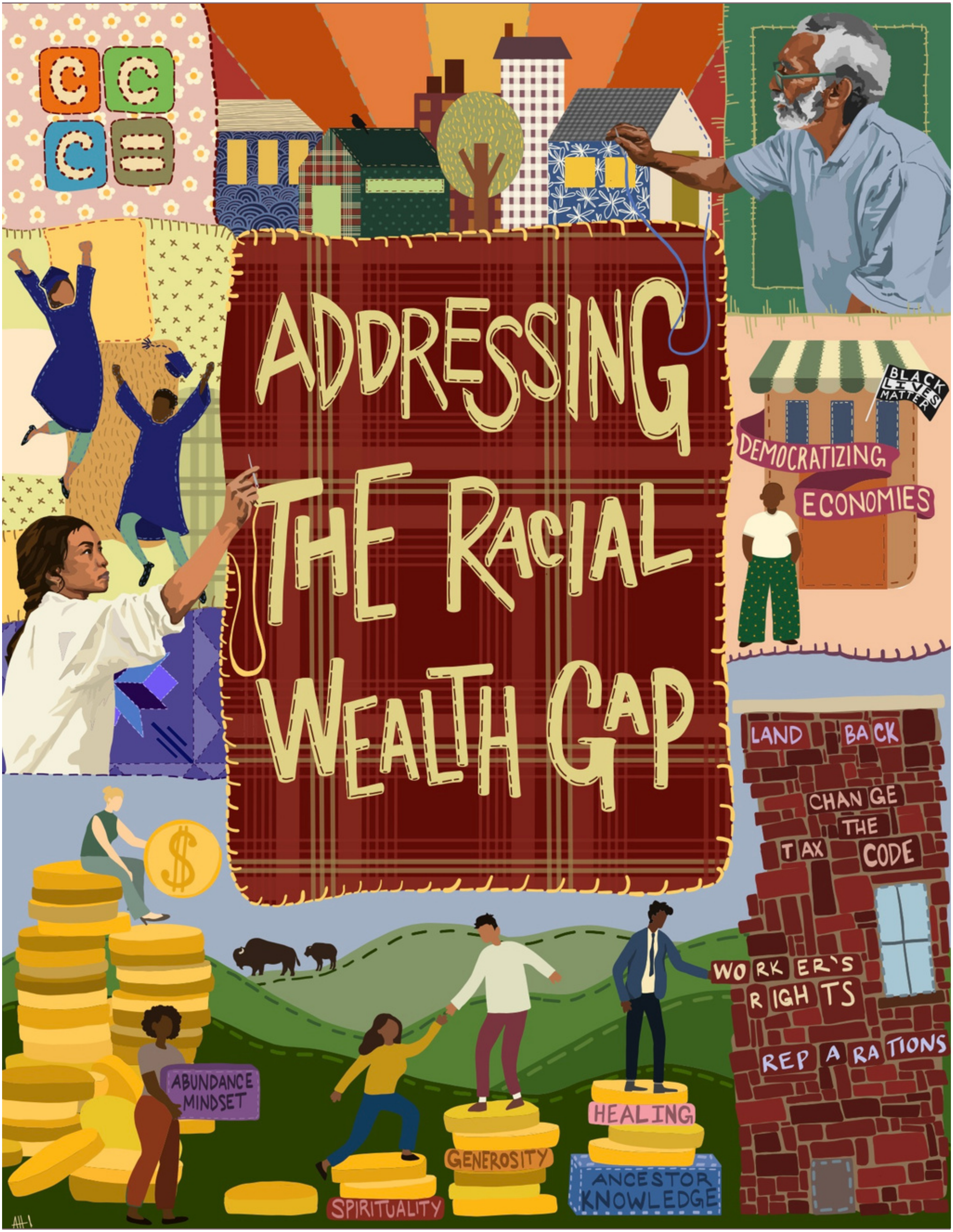
ADDRESSING THE RACIAL WEALTH GAP
BLACK LIVES MATTER
DEMOCRATIZING ECONOMIES
LAND BACK
CHANGE THE TAX CODE
WORKER'S RIGHTS
REPARATIONS
ABUNDANCE MINDSET
HEALING
GENEROSITY
ANCESTOR KNOWLEDGE
SPIRITUALITY

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ACKNOWLEDGMENTS

We do our work on the stolen land of the Kalapuya, Wasco, Cowlitz, Multnomah, Tualatin, Clackamas, Kathlamet, Molalla, Bands of Chinook, and many other tribes who made their homes along the Columbia River. We live in a nation of wealth created by the subjugation and exploitation of African people brought to Turtle Island through chattel slavery or the Maa'fa (Swahili for the great disaster). We uplift the original Indigenous stewards of the land and the forced contributions of generations of Africans. We ground our fight knowing that there is no Black Liberation without Indigenous Sovereignty, and there is no Indigenous Sovereignty without Black Liberation. We fight for Land Back and reparations and refute settler-colonialism, anti-Black racism, and imperialism.

This research was made possible by funding and support from Oregon Community Foundation (OCF) and Meyer Memorial Trust (Meyer). We are particularly thankful to the following collaborators at OCF and Meyer who took the time to convene monthly check-ins about this research and provide feedback on this process: D'Artagnan Caliman, Nancy Ramirez Arriaga, Mirna Loreli Cibrian, Rocio Perez, Kimberlee Salmond, Megan Loeb, Melissa Freeman, and Caitlin Ruffenach. The Research Justice Institute (RJI) at the Coalition of Communities of Color (CCC) acknowledges you all and both organizations for past, present, and future initiatives to close the wealth gap in Oregon.

We thank the Black, Indigenous, and People of Color leaders and members of sovereign Tribal nations who participated in our research and trusted us with their knowledge, solutions, and desires for closing the racial wealth gap. We are humbled by your generosity, contributions, and tireless commitment to centering communities of color in economic justice efforts.

We would not have been able to complete this work without the support of our two foundation partners and members of the Oregon Economic Justice Roundtable, especially Neighborhood Partnerships, Multnomah Idea Lab, and Asset Funders Network, who assisted with circulating surveys and connecting us with many interviewees. Special thanks to our student interns Amira Tripp Folsom, Fatuma Mohamed Ali, Tyler White, and Annie Hoang, who poured countless hours into the literature review and cover art. We also thank Dr. Jade Aguilar for being a thought partner and ECONorthwest for sharing data with us. Lastly, we would like to thank Jenny Lee, J.D., Marcus Mundy, M.B.A, the CCC Data Network, and others who provided comments and feedback on various drafts of this report.

We acknowledge the impact of the wealth gap on Black, Indigenous, Latine, and other Oregonians of color and honor your commitments to create a world that supports all of us. We dedicate this report to you.

-Research Justice Institute

AUTHORS' STATEMENT

The authors of this report are South Asian (Indian/Pakistani American), Black (Biracial Swazi-American), and Latine (Cuban-American) researchers, formally trained in anthropology, prevention science, and sociology. Our disciplinary training and lived experiences have oriented us towards respecting and valuing the knowledge, wisdom, and desires of communities of color. Too often, this knowledge—what we refer to as community data—is dismissed as anecdotal and not trustworthy enough to guide large-scale decision- or policy-making. As queer researchers of color leading the Research Justice Institute at the Coalition of Communities of Color, we deeply understand how systems of oppression, including research and the institutions we have been trained in, center dominant, mostly white experiences, while silencing and erasing already marginalized knowledges and voices. Our research approach is driven and informed by these experiences and understandings of power. This report is a reflection of these values and practices that center communities of color.

Mira Mohsini, Ph.D. — Senior Researcher
Khanya Msibi, M.S. — Data Manager
Andres Lopez, Ph.D. — Research Director

ARTIST'S STATEMENT

Hello! My name is Annie Hoang and I'm currently studying psychology and visual arts at Seattle University. I believe that art is a powerful tool, one that not only illustrates the state of the world around us but also acts as a call to action. To me, the most important aspect of commissioning the cover art was translating my conversations with the authors into a visual representation of what drives community-led work. Through this piece, I aimed to encompass the importance of collaboration, representation, and resiliency within communities of color. The vibrancy of colors and collages of symbols are intended to portray a pathway to closing the wealth gap, a celebration of the achievements of the community, and a hopeful vision for the future. Furthermore, it highlights the efforts of community members while paying homage to the strengths and impact of their ancestors. I hope that the piece gives the viewer a small glimpse into all that the report covers and demonstrates what is possible when marginalized voices are centered.

—Annie Hoang
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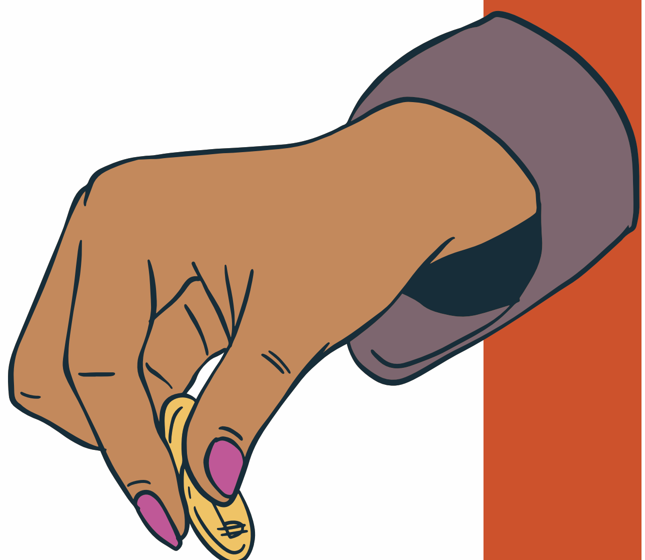
TABLE CONTENTS



EXECUTIVE SUMMARY

The racial wealth gap describes the extreme economic inequality between white populations and communities of color. It explains the impact of four centuries of U.S. institutional and systemic racism that has led to the persistent disparities plaguing communities of color. The research presented in this report is premised on recognizing that the U.S. economic system grew up and continues to thrive on exploiting Black, Indigenous, and People of Color (BIPOC) communities and sovereign Tribal nations, not by fostering their success. We recognize that Black lives have been legislated as commodities to own and exchange, or criminalize and punish; sovereign Indigenous nations have been legislated as "expendable" for the purpose of appropriating land; Latine and other non-white groups have been legally relegated to often precarious and ultimately disposable labor, primarily through immigration policies.

This research acknowledges that over generations, laws and policies have provided white families with "wealth starter kits" that included "land, government-backed mortgages and farm loans, a social safety net, and business and education subsidies" (Hicks et al. 2021:6). These systemic advantages have enabled white families to accumulate generational wealth, while the same policies excluded communities of color from these opportunities. More than any other indicator, such as level of income or education, how a person is racialized—and the accumulation of advantages and disadvantages based on race through centuries of policies, laws, and practices—is the most important factor in understanding differential access to wealth in this country.

More than any other indicator, such as level of income or education, how a person is racialized...is the most important factor in understanding differential access to wealth in this country

This report focuses on the racial wealth gap experienced by Black, Indigenous, and Latine (BIL) communities in Oregon using national and regional research, data, and approaches, paired with surveys and interviews with people working towards closing the gap. This research intends to center the realities, strategies, and hopes of BIL Oregonians. It provides resources, perspectives, and recommendations for dominant institutions (e.g., governments, universities, foundations, for-profit sector) committed to closing the racial wealth gap.

While BIL communities are the focus of this report, we acknowledge many other communities of color have similar economic experiences, including communities lumped together as Asian/Asian American (Black, Indigenous, and Latine communities were the focus of this research, at the request of funders). However, they are often excluded from racial wealth gap research due to the failure of collecting and analyzing regionally specific disaggregated data on different Asian communities. For example, using Los Angeles as a case study, lumping together Japanese and Indian households with higher median wealth—$592,000 and $460,000, respectively—with low median wealth Korean and Vietnamese households—$23,400 and $61,500, respectively—creates severe impediments to crafting policies and programs that address these highly variable and differential experiences of immigration, citizenship, labor market participation, and education that exist within the broad category of "Asian" (De La Cruz-Viesca et al. 2016; Asante-Muhammad and Sim 2020).

The report has four main sections:

1. Understanding the racial wealth gap
2. Identifying approaches for closing the gap
3. Institutional betrayal and the maintenance of the racial wealth gap
4. Recommendations for investing in wealth building

1. Understanding the Racial Wealth Gap

To understand the breadth of factors that contribute to increasing, maintaining, and closing the racial wealth gap, we introduce the following three-part framework:

Wealth building refers to the accumulation of assets—something deemed to have economic value. In the U.S., assets that can appreciate and compound in monetary value include real estate, capital gains from stock market investments, pensions and retirement, private businesses, and other savings.

Economic stability refers to the conditions needed to access and build financial wealth. Securing economic stability means access to living wages/income, equitable access to banks, credit and financial planning, progressive tax codes, and policies that ensure affordable means to promote well-being (e.g., education, health care, child care, tax credits).

Wealth stripping refers to the many ways that communities of color are disproportionately deprived of wealth and driven into debt (e.g., predatory lending, fines and fees of the criminal and legal system, tax exclusions, and penalties).

National data on the racial wealth gap demonstrates disparities in **wealth building** assets:

- In 2019, the difference in median wealth between white and Black families was over $160,000, and between white and Latine families was over $150,000 (Bhutta et al., 2020).
- Black, Indigenous, and Latine homeownership rates are significantly lower than white homeownership rates: 48% (Choi et al. 2019), 47% (Calderon 2018), and 53% (Perez 2018), respectively, compared to 73% for non-Hispanic white households (Reid 2021).
- In 2016, the average white homeowner had $215,800 in home equity, compared to $94,400 in-home equity among Black homeowners (Detting et al. 2017).
- Of all U.S. firms, Black-owned businesses represent 6%, Indigenous owned firms represent 0.5%, and Latine-owned firms represent 14.4% compared to 70.8% white-owned businesses (Zippia 2021).

- Three of four Black households and four of five Latine households have less than $10,000 in retirement savings compared to one of two white households (NIRS 2013).

The racial wealth gap is also illuminated by other barriers and inequities that curtail the ability for **economic stability**:

- According to a 2015 Pew study, the average hourly wages for Black and Latine men were $15 and $14, respectively, compared with $21 for white men (Patten 2015).
- White households account for 66% of the U.S. population yet receive 71% of the mortgage interest deduction (MID) benefits. Ninety percent of the MID's benefits go to taxpayers with annual incomes over $100,000, and 63% go to those over $200,000 (Meschede et al. 2021).
- Teachers are less likely to recognize Black students who excel academically. One study found that Black students were 54% less likely than white students to be recommended for gifted-education programs (Weir 2016).

Finally, systemic and institutional racism ensures that **wealth stripping** prohibits BIPOC communities from building generational wealth:

- BIPOC mortgage applicants are significantly more likely to be rejected for loans compared to similarly qualified white applicants. Loan rejection is 80% more likely for Black applicants, 70% more likely for Native American applicants, and 40% more likely for Latine applicants (Martinez and Kirshner 2021).
- In cities and towns with a substantial Black population, 10% or more of local government revenue was generated via court fees and fines. There is a positive correlation between reliance on court fees and fines and the proportion of a city's Black residents (United States Commission on Civil Rights 2017).
- Four years after graduation, the average Black college graduate owes $52,726, compared to $28,006 for the average white college graduate (Scott-Clayton and Li 2016).

Similar disparities are experienced in Oregon and detailed throughout the report.

2. Approaches for Closing the Racial Wealth Gap

The second section focuses on **dominant approaches** to closing the racial wealth gap, which include strategies and programs prioritized, promoted, and funded by dominant institutions (a more detailed discussion of dominant approaches is provided in the report). Approaches are categorized as "Access," "Protect," "Tools," and "Repair" based on similarities of objectives (i.e., the "what") and goals (i.e., the "how"). These categorizations of dominant approaches follow an order of prioritization based on how community members evaluated approaches using a feasibility and importance matrix during the community data vetting event hosted by the Research Justice Institute.

Access: Approaches that include financial investment and assistance programs and policies that address systemic barriers for "leveling the financial playing field" (e.g., first time home buyer grants, credits, and other subsidies; scholarships and grants for education; incentives or credit for starting and operating minority-owned businesses; Individual Development Accounts [IDA]; community development financial institutions [CDFIs]).

Protect: Approaches that aim to mitigate or eliminate harm produced by wealth stripping mechanisms by implementing policies and standards that create long-term economic stability (e.g., anti-displacement efforts, universal healthcare policy, consumer financial protection policies).

Tools: Approaches meant to increase capacity for individuals to build wealth through education, technical assistance, and skills-building services (e.g., first-time homebuyer education and counseling, financial literacy programs, small business technical assistance).

There are many good dominant strategies for closing the gap, but they can be excellent and transformative if they employ the right process

Repair: Approaches that seek to redress the legacies of past harms of racism and increase intergenerational capacity to build and sustain wealth (e.g., reparations, tax reform, ensuring widespread representation of Black, Indigenous, and Latine people across all sectors of the economy).

We then present **community-desired approaches** to closing the racial wealth gap. We recognize that while many dominant approaches are valued, promoted, and considered impactful by BIPOC community leaders and organizations, they often focus on individuals and households and presume broad, non-culturally specific implementation (except for reparations). Dominant approaches also tend to focus on reforming parts of the current system rather than imagining and co-creating new inclusive and regenerative economic systems. The report details three community-based narratives of wealth (Black, Indigenous, and Latine) that synthesize and contextualize what was learned from surveys and interviews during this research process to understand these differences better.

Many desire new economic systems centered on values and conditions that are sustainable, equitable, and life-affirming for all. Thus, the goal is not simply fixing what is currently broken but also reimagining and co-creating new inclusive economic systems.

"Wealth building is about transferring security and belonging... and even ideals of entrepreneurship are not based on the success of Elon Musk, but rather on the success of a grandfather tending to the buffalo herds" (Interviewee)

Community desired approaches presented in this research focus more on *processes* for realizing economic justice. They are less about which approaches will get us to the best outcomes but rather which process will get to the right conditions for the best community-led approaches. To center community means to focus on affirming, inclusive, and flexible processes rather than getting to fixed outcomes. There are many dominant strategies for closing the gap, but they can be excellent and transformative if they employ the proper process. The report pairs approach with process and provides examples articulated by community members (see a few chosen examples from the report below).

Approach	Process	Selected Examples
Culturally specific When specific cultural groups define and enact culturally relevant understandings, histories, approaches, and services for their communities	Generally requires funding with little oversight and deliverable expectation; flexible funds allow communities to establish how to set the conditions for economic justice	1. Define community cultural wealth (what exists now) & reimagine wealth (how to realize economic justice) 2. Provide unrestricted/flexible CBO funding to stabilize, think, and strategize 3. Define and build entrepreneurial training & abundance mindset
Cross-cultural When different cultural groups with overlapping experiences of oppression build upon culturally specific approaches to meet the needs and desires of various communities	Generally requires more support & leadership from dominant institutions, continues to center community, but has more defined deliverables	1. Pilot targeted guaranteed income models 2. Develop leadership training 3. Collect baseline data on the racial wealth gap
Dominant institution led When institutions that are dominant in our society use their resources and power to make transformative institutional changes	Generally requires dominant institutions to handle their inequities by paying for consultation with community but doing the bulk of the labor to free up community capacity	1. Increase BIPOC representation in dominant sectors of wealth building 2. Make internal metrics/outcome goals and impact measurements & assessments transparent 3. Build racial justice/decolonizing wealth movements within foundation spaces

3. Institutional Betrayal

The third section introduces "institutional betrayal" as a way that philanthropy, government, financial institutions, and an affluent political class maintain the racial wealth gap through inaction or misdirected priorities—intentional mechanisms of exclusion (e.g., tax credits for the wealthy) and predatory mechanisms of disenfranchisement (e.g., subprime lending). As a result, continuous institutional betrayal breeds a tremendous amount of distrust by BIPOC community members.

When it comes to philanthropy's betrayal of BIPOC communities, there is a much needed discussion about priorities, internal decision-making processes, and representation (a detailed discussion is in the report). For instance, during and after the 2020 uprisings for racial justice following the murder of George Floyd, it was presumed that funding significantly increased for racial equity and racial justice organizations and movement-building efforts. However, as of summer 2021, "more than $8.8 billion in pledges [were made] for racial equity work in 2020, but only about $3.4 billion in actual grants [were] awarded by foundations and corporations" (Cyril et al. 2021:6). This kind of dominant narrative convinces funders that racial equity and racial justice work is well-funded and that future funding can remain stagnant or even be reduced. This is a dangerous narrative. The reality is that "for every dollar awarded by foundations for work in the United States in 2018, only 6 cents went to racial equity work, and only a penny went to racial justice work" (ibid:5).

Understanding how institutions continue to betray BIPOC communities is a critical part of redressing these failures. In addition to centering community-desired approaches, institutions must recognize and challenge their complicity in perpetuating inequities, and adopt a multifaceted approach to closing the racial wealth gap. This includes: committing to increased BIPOC representation in institutional spaces, moving unrestricted or flexible funds into communities of color, disrupting assumptions about BIPOC communities being "risky" investments, and building the financial, political, and leadership capacity to advocate for structural policy changes. Many of these strategies to address institutional betrayal are presented in the recommendations section of this report.

4. Recommendations

1. Capacity building and setting the conditions for economic justice

- Unrestricted funding for BIL-led and -serving CBOs and coalitions for:
  - Programs that meet immediate BIL community needs, including the specific needs for trans and queer BIL folks
  - Culturally specific and cross-cultural strategic planning
- No/low-cost culturally specific technical assistance funds
- Funds to convene conference/workshop/networking events on redefining and reimagining wealth for Black, Indigenous, and Latine communities in Oregon

2. Expanding and supporting asset-based wealth building strategies

- Access to stable housing funds (e.g., community land trusts, cooperative housing with culturally specific wraparound services, alternative lending institutions, anti-displacement organizing)
- Land acquisition and supportive infrastructure funds (e.g., affordable housing, farming/food sovereignty, expanded operational space for CBOs)
- Culturally specific business incubators and holistic services funds (e.g., seed funding, technical assistance, networking and mentorship, capital growth strategies)
- Matched savings funds
- Low barrier college scholarships

3. Advocating for policies that ensure economic stability and counter wealth stripping (These advocacy/policy issues were identified and prioritized by community members. More details are in the report)

- Tax code reform
- Oregon investment in “baby bonds”
- Equitable standardization of home appraisals in Oregon
- Guaranteed basic income (e.g., direct cash transfer models)
- Consumer financial protections and regulations on pay-day and predatory lending
- Criminal and legal system reform
- Student debt relief/cancellation
- Workplace/worker/union organizing for wage and benefits equity
- Free community college/public university
- Immigration reform/path to citizenship
- Reparations
- Land Back

4. Expanded data collection strategies defined and led by community

Investing in quantitative (numbers), qualitative (words), and visual (maps, art, etc.) community-led data strategies that help better understand the wealth gap across different racial and ethnic populations and diverse sectors while detailing the limits and insufficiency of existing mainstream data. Research and data needs include:

- Identifying and combating everyday forms of wealth stripping
- Understanding rural experiences of wealth-building/stripping and economic stability
- Program evaluations of CBO-led strategies for closing the racial wealth gap
- Cross-cultural/cross-sector strategy to capture already available quantitative data and help key stakeholders shift data practices to collect more meaningful data

5. Updating internal organizational processes and structures to serve BIL communities better

- Create and visualize a shared set of definitions, values, and actions that demonstrates organizational understanding and commitment to addressing the racial wealth gap. This will require funding CBOs and current grantees to guide this work.
- Decision-making must be participatory and transparent (systematizing accountability)
- Hire, retain, and promote Black, Indigenous, and Latine folks and other people of color within the organization and at leadership levels (including Board members)

6. Racial Wealth Gap Equity Tool

Adopt the following set of questions for decision-making and ensure that equity is centered throughout when deciding to fund a dominant or community-desired strategy for closing the racial wealth gap.

- Who is making the decisions to fund this strategy?
- Who is not at the decision-making table but should be?
- What, if any, spending requirements are attached to the grant? Why do those requirements exist? To what extent can those requirements be minimized or removed?
- In adopting this strategy, how are BIPOC communities centered? What other internal and external supports can be provided and committed to throughout the grantmaking process? In other words, how can philanthropic and other institutional networks be leveraged to build support for strategies to close the racial wealth gap?
- How can this strategy be tailored to cultural, linguistic, and geographic diversities?
- How does this funding decision align with the organization's shared definitions and values about the racial wealth gap?
- To what extent will community define the success of the project? How will that process be supported and outcomes shared widely?

INTRODUCTION

UNDERSTANDING THE GAP

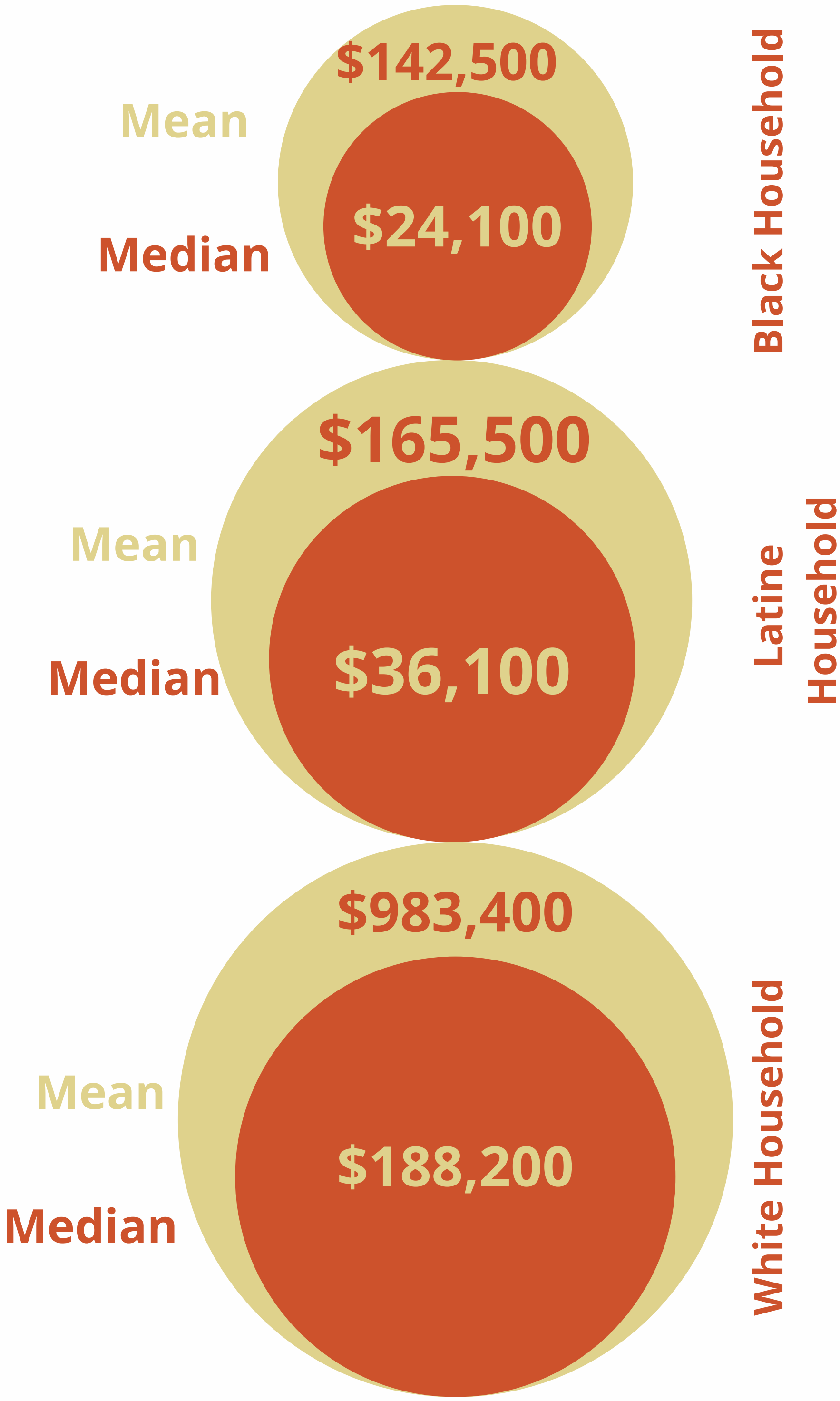
1.0

The United States has a wealth problem: too much wealth is concentrated in the hands of too few people who are overwhelmingly white. National data on the racial wealth gap clearly demonstrates the disparities in wealth concentrations. In these data, wealth is measured as ownership of certain categories of assets, such as real estate, private businesses, stocks and bonds, pension and retirement entitlements, and other durable assets. In 2019, the difference in median wealth between white and Black families was over $160,000 and between white and Latinx families was over $150,000 (Bhutta et al., 2020). Figure 1 provides a stark illustration of median and mean wealth disparities between white, Black, and Latine communities.

More than any other indicator, such as level of income or education, how a person is racialized—and the accumulation of advantages and disadvantages based on race through centuries of policies, laws, and practices—is the most important factor in understanding differential access to wealth in this country.

Data on wealth disparities for Indigenous communities is not provided by the U.S. government, so Native populations are often excluded from racial wealth gap research. However, data from a study conducted in the early 2000s estimates that in 2000 the typical Native American household had 8 cents of wealth for every dollar owned by the average white household (Zagorski 2006). Furthermore, Indigenous conceptions of wealth differ from how wealth is measured in mainstream data. For instance, family and belonging are more likely to be identified as assets, and communal stewardship of land is likely to be identified as wealth (Chang and Lui 2010).

Figure 1. White, Latine, and Black Household Wealth (Mean and Median)

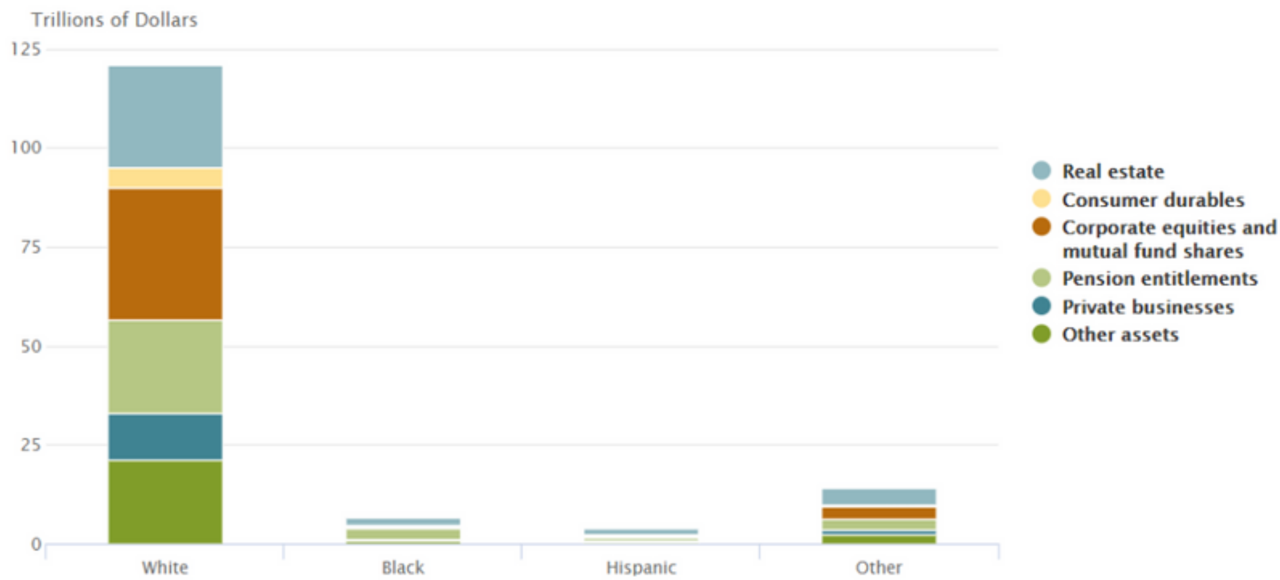


Source: Bhutta, Neil, Andrew C. Chang, Lisa J. Dettling, and Joanne W. Hsu (2020). "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, September 28, 2020, https://doi.org/10.17016/2380-7172.2797.

Note: This graph uses 2010 census data that severely undercounted Native Americans and Native Alaskans, which is why they were not included in the graph. See "A note about data and Indigenous representation" on page 15 of this report.

Wealth is typically measured by ownership of a limited number of assets including real estate, businesses, stock market and other financial investments, and savings. Figure 2 demonstrates the stark disparities of asset ownership between white, Black, and Hispanic populations.

Figure 2. Federal Reserve System Assets by Race



Source: Federal Reserve. 2021. "The Fed - Comparison: Compare Wealth Components across Groups." *Federalreserve.Gov*. Retrieved September 9, 2021 (https://www.federalreserve.gov/releases/z1/dataviz/dfa/compare/chart/).

Note: See "A note about data and Indigenous representation" on page 15 of this report about why data about Indigenous populations is often missing from mainstream data analyses.

One misconception about the racial wealth gap is that the material conditions for Black, Indigenous, and Latine communities have significantly improved since the passing of historic civil rights legislation in the late 1960s. This misconception erases the tremendous impact that legacies of discriminatory policies and laws have had and continue to have on the generational accumulation of wealth. Black, Indigenous, and Latine communities have been affected by institutional stripping of wealth due to the legacies of slavery, land theft, broken treaties, and other racist policies. The following examples demonstrate the enormity of centuries of institutional wealth stripping:

- The enslavement of Black people prohibited any ability to build family and community wealth. The losses from unpaid wages and lost inheritances to Black descendants are estimated at around $20 trillion today (Cramer 2021).
- Policies like the General Allotment Act of 1887 resulted in a 67% decrease in land held by Indigenous nations in just over 50 years. The impact of that one policy represents 90 million acres of lost community wealth (ILTF n.d.).

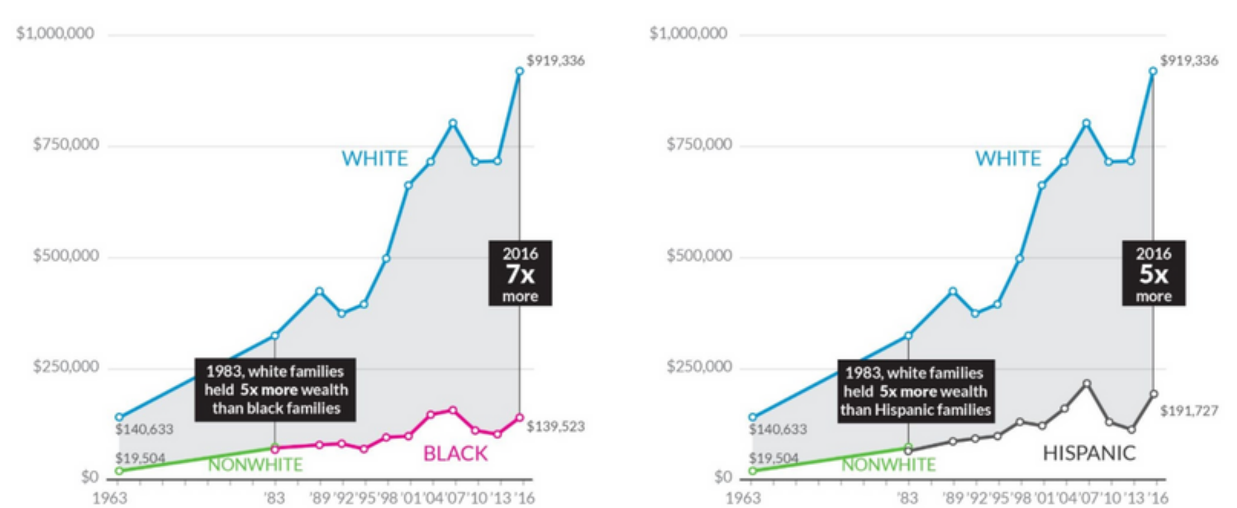
- Following the Mexican-American War, the Treaty of Guadalupe Hidalgo (1848) ensured a transfer of property rights to Mexicans who opted for citizenship (90% opted in); however, Congress passed the California Land Act of 1851 (CLA) that failed to honor the Treaty by shifting the burden of ownership proof to landowners and grantees (Luna 1999). The CLA passed due to political pressure to open up land for white settlers.
- In the late nineteenth century, Oregon implemented a series of exclusionary laws that deterred the settlement of primarily Black individuals. Oregon's exclusionary and other racist language remained in the state's constitution until 2002 (Nokes 2020).

These are a few examples of policy-driven economic oppression that cannot be fully understood by data alone; thus, when discussing the mechanisms of the racial wealth gap, it is essential to remain cognizant of historical context.

For more historical context see pg. 22 in the Literature Review, see appendix A.

Since the 1960s, data demonstrates that the disparities in average wealth have increased or remained stagnant between white and Black households and white and Latine households. For example, white families held five times more wealth than Black and Latine families in 1983. In 2016, white families had seven times more wealth than Black families and continued to hold five times more wealth than Latine families (see Figure 3).

Figure 3. Average Family Wealth by Race/Ethnicity, 1963-2016



Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.

As it stands, there are considerable gaps in our understanding of how the racial wealth gap affects BIPOC community members in Oregon. For example, the Survey of Household Economics and Decisionmaking (SHED), a national survey that tracks family finances, has a very low sample size of Oregon residents and even less representation from Oregon BIPOC residents. Furthermore, there is a larger data gap on rural BIPOC communities; while data shows considerable economic gaps between rural and urban Oregon, rural data is rarely disaggregated by race. Nationally, we know that BIPOC rural dwellers experience the lowest rates of economic mobility (Ajilore & Willingham, 2020). More data needs to be collected to determine to what extent this is reflected in Oregon.

For additional resources on the rural and urban divide, see pg. 42 in the Literature Review, see appendix A.

To address the racial wealth gap, it is necessary to understand its scope from a holistic perspective that identifies the multiple factors contributing to building wealth (limited here to ownership of assets) and economic stability, as well as factors leading to wealth stripping from communities. The following section provides a framework for capturing these multiple factors.

1.1

A FRAMEWORK FOR MAKING SENSE OF THE RACIAL WEALTH GAP

Making sense of the racial wealth gap requires understanding the many factors contributing to the intergenerational effects of having more or less access to wealth. Access to wealth, such as buying a home, is dependent on multiple economic and social factors, such as earning enough income to save, being eligible for affordable credit, and being able to afford education and health care without accumulating significant debt. In this section, a holistic framework is presented to capture the racial wealth gap dynamics by identifying the dominant mechanisms that contribute to wealth building, economic stability, and wealth stripping (see Table 1). Below are definitions of the three components of the framework and how they contribute to our understanding of the racial wealth gap.

Wealth Building

Most programs and strategies in the U.S. for addressing the racial wealth gap focus on the accumulation of financial assets. In the current dominant economic system, there are a limited number of assets that can appreciate and compound in monetary value. Pathways to accessing and owning these assets and building wealth include buying a home, owning and growing a business, investing in the stock market, and accumulating savings.

Economic Stability

It is essential to recognize that while a financial asset view of wealth is different from income, the need to ensure economic stability is critical for financial wealth building. Economic security programs have been one of the most consequential policies for reducing poverty and racial inequities over the past fifty years. Securing economic stability for individuals, families and households, and communities involve access to good wages and benefits, affordable means to ensure well-being (e.g., education, health care, child care), and equitable access to banks and credit.

Wealth Stripping

Finally, it is impossible to grasp the racial wealth gap without illuminating and examining how wealth is stripped from communities. There are a plethora of wealth stripping mechanisms that "disproportionately deprive families of color of wealth and drive them into debt" (Flynn and Mabud 2019:3), such as fines and fees of the criminal and legal system, predatory lending, racial bias during home appraisals, and regressive tax codes. All of these mechanisms reproduce and re-entrench economic instability.

In Table 1, examples of each of these three mechanisms are provided. These examples are not exhaustive but serve to distinguish the mainstream pathways to asset accumulation from other factors that can contribute to wealth building or wealth stripping.

Table 1. Framing the Racial Wealth Gap

Dominant mechanisms for:		
Wealth Building	Economic Stability	Wealth Stripping
➔ Real estate ownership ➔ Capital gains from stock market investments ➔ Retirement, pensions, and other savings ➔ Business ownership ➔ Durable goods	➔ Wage equity ➔ Affordable/universal education ➔ Affordable/universal health care ➔ Union membership ➔ Low barrier access to banking and credit ➔ Access to affordable financial planners ➔ Earned income tax credits ➔ Child tax credit ➔ Child Care and Dependent tax credits (CCDTC) ➔ Guaranteed basic income ➔ Equitable zoning laws	➔ Predatory lending ➔ Student debt ➔ Medical debt ➔ Fines and fees of the criminal & legal system ➔ Tax exclusions, penalties & regressive tax code ➔ Barriers to banking & capital ➔ Racial bias in underwriting rules, home appraisals & other forms of risk assessment

A note about data and Indigenous representation: Throughout this report, we present data and data visualizations (e.g., charts and figures) to demonstrate the racial wealth gap. These types of analyses are typically drawn from mainstream data sources like the Census or various national population surveys done by the Federal Reserve and other organizations (e.g., Pew, universities). Readers will notice that these analyses, which attempt to have representative population samples by random sampling methods, more often than not exclude Indigenous populations in their data samples. Random sampling methods have historically erased Indigenous populations from research studies by chronic under sampling, which result in small population samples not meeting statistical standards for margins of error. This erasure of Indigenous populations in the data is a continuation of settler colonial practices and "are directly tied to acts of data genocide" (Urban Indian Health Institute 2021:6).

1.2

EXAMPLES OF THE RACIAL WEALTH GAP

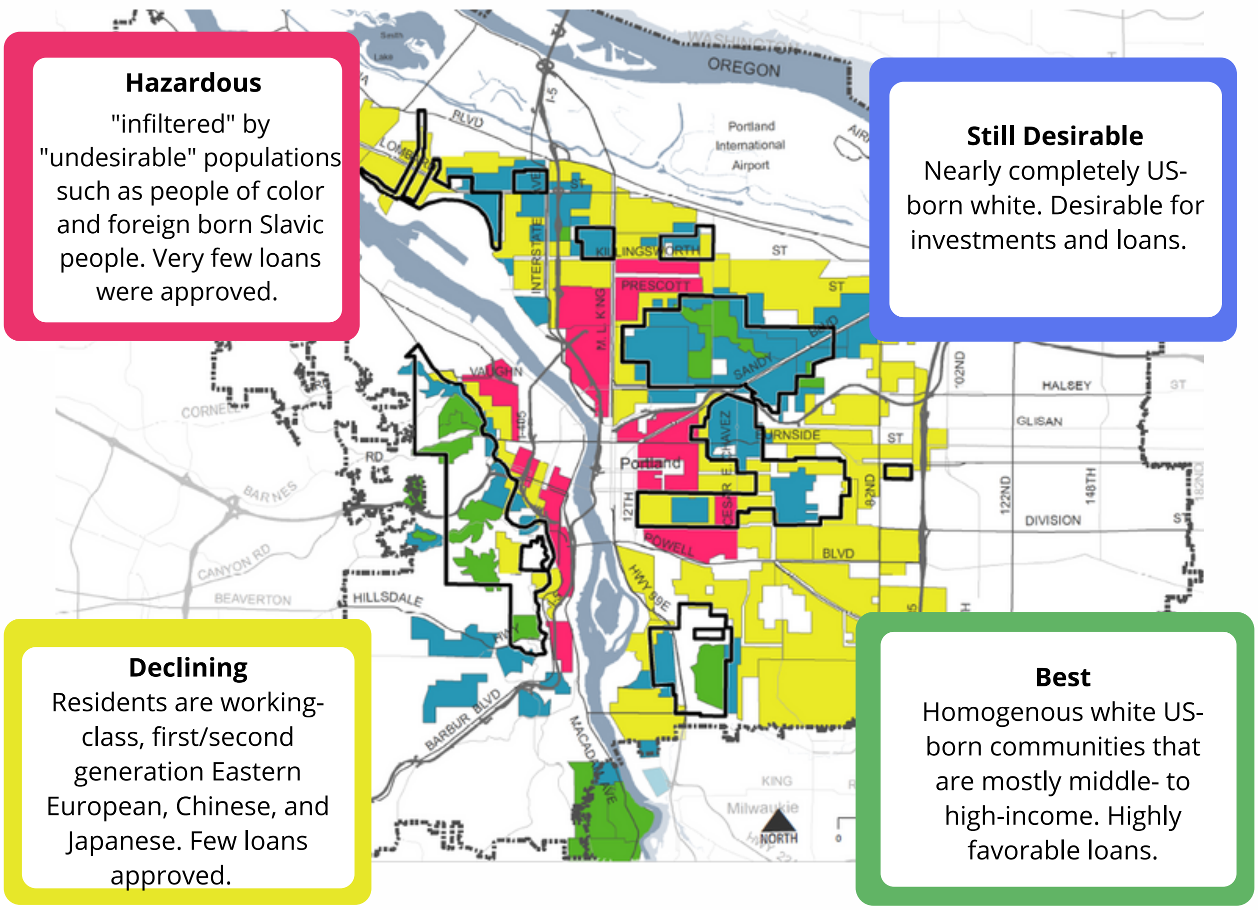
The framework presented in the previous section for making sense of the racial wealth gap provides examples of pathways—including policies and programs—that can lead to more or less opportunities for wealth building. In this section, data about several of these pathways is provided to give more context about what is at stake for developing strategies and solutions to close the racial wealth gap.

WEALTH BUILDING

Since the 1930s, homeownership has been a quintessential part of generational wealth building in this country. It has also been wielded as a tool to deny wealth building opportunities for Black, Indigenous, and Latine communities. The primary policy mechanism for segregating and isolating communities of color relates to accessing mortgages. The valuation of homes—whether they appreciate or depreciate and at what rate—has been connected to deliberate government-mandated policies that sanctioned racism and segregation through redlining. Neighborhoods with majority non-white residents would be color-coded red to indicate the highest risk for lending and, as result, would have a high likelihood of being denied low down payment and low interest government-backed mortgages.

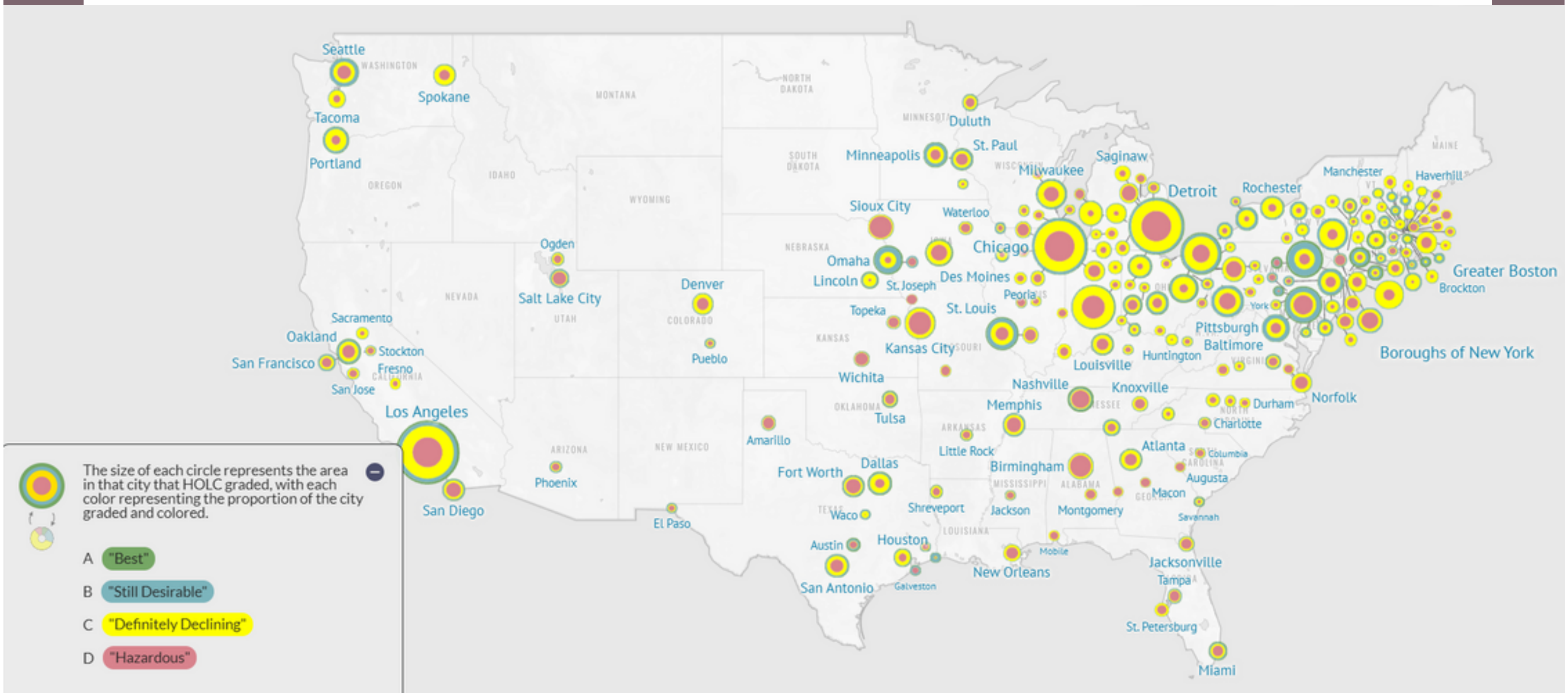
Metropolitan areas throughout the country have experienced redlining, including Portland (see Figure 4). Although data on smaller cities and towns in Oregon is not available, across the country, smaller towns have also experienced histories of redlining (see Figure 5).

Figure 4. Redlining in Portland, Oregon Prevented Wealth Building Opportunities for People of Color



Source: Hughes, Jena. 2019. "History of Racist Planning in Portland." Portland.Gov. Retrieved September 9, 2021 (https://www.portland.gov/bps/history-racist-planning-portland).
ESRI. n.d. "Home Owners' Loan Corporation (HOLC) Neighborhood Redlining Grade." Arcgis.Com. Retrieved September 23, 2021 (https://www.arcgis.com/home/item.html?id=063cdb28dd3a449b92bc04f904256f62).
Robert K. Nelson and Edward L. Ayers, accessed September 23, 2021, https://dsl.richmond.edu/panorama/redlining/

Figure 5. Redlining in the United States



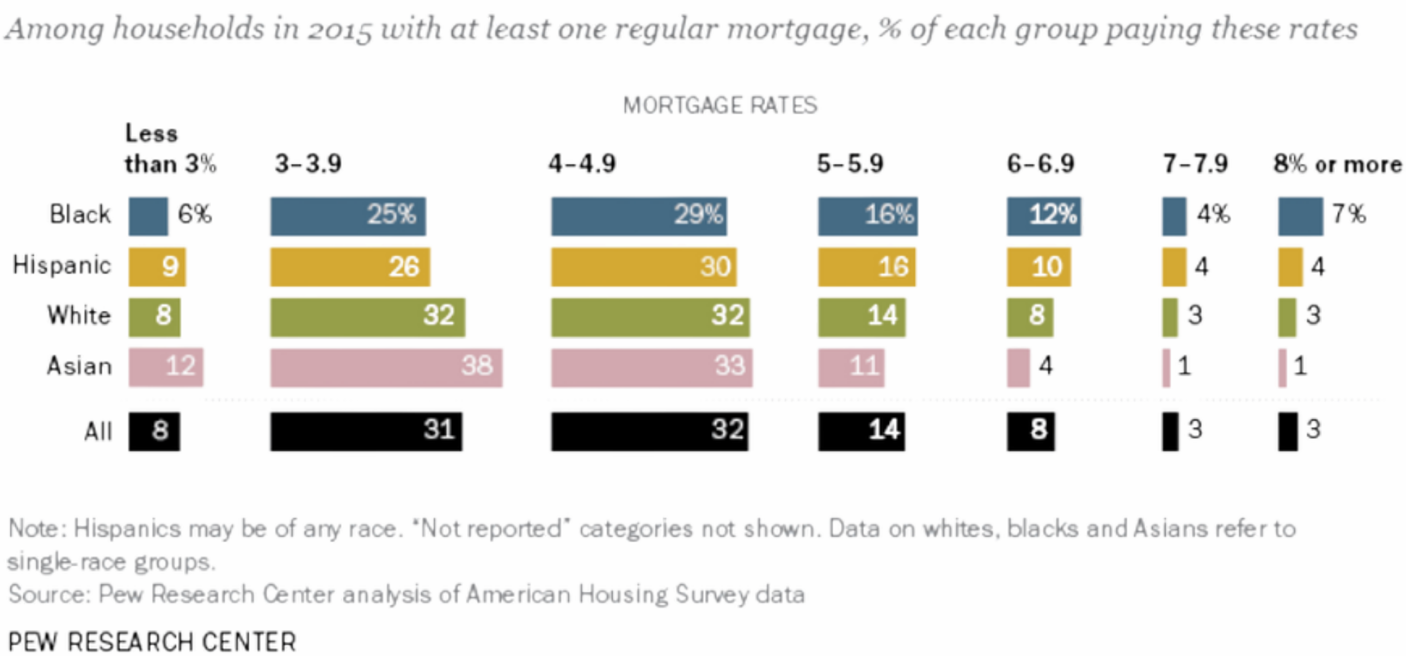
Source: University of Richmond, "Mapping Inequality: Redlining in New Deal American." https://dsl.richmond.edu/panorama/redlining

Any gains in homeownership that Black, Indigenous, and Latine folks made following the passing of the Fair Housing Act in 1968 have been limited or erased for many reasons including (but not limited to) denial of prime loans and aggressive marketing of expensive credit and subprime/predatory loans, wage stagnation, and increasing gentrification and displacement (Goodman, Zhu, Pendell 2017).

In 2018, national data show that non-Hispanic white populations have a 73% homeownership rate (Reid 2021). In contrast, for Black, Latine and Indigenous populations in 2018, homeownership rates are significantly lower than white homeownership rates: 42% (Reid 2021), 47% (Calderon 2018) and 53% (Perez 2018), respectively. This gap in homeownership is larger than it was in 1968 (Reid 2021).

The continuation of discriminatory lending practices and other wealth building disparities in ownership have prevented BIPOC households from economic prosperity. Even if mortgages are approved, data shows that Black and Latine households are more likely to pay higher mortgage rates (see Figure 6).

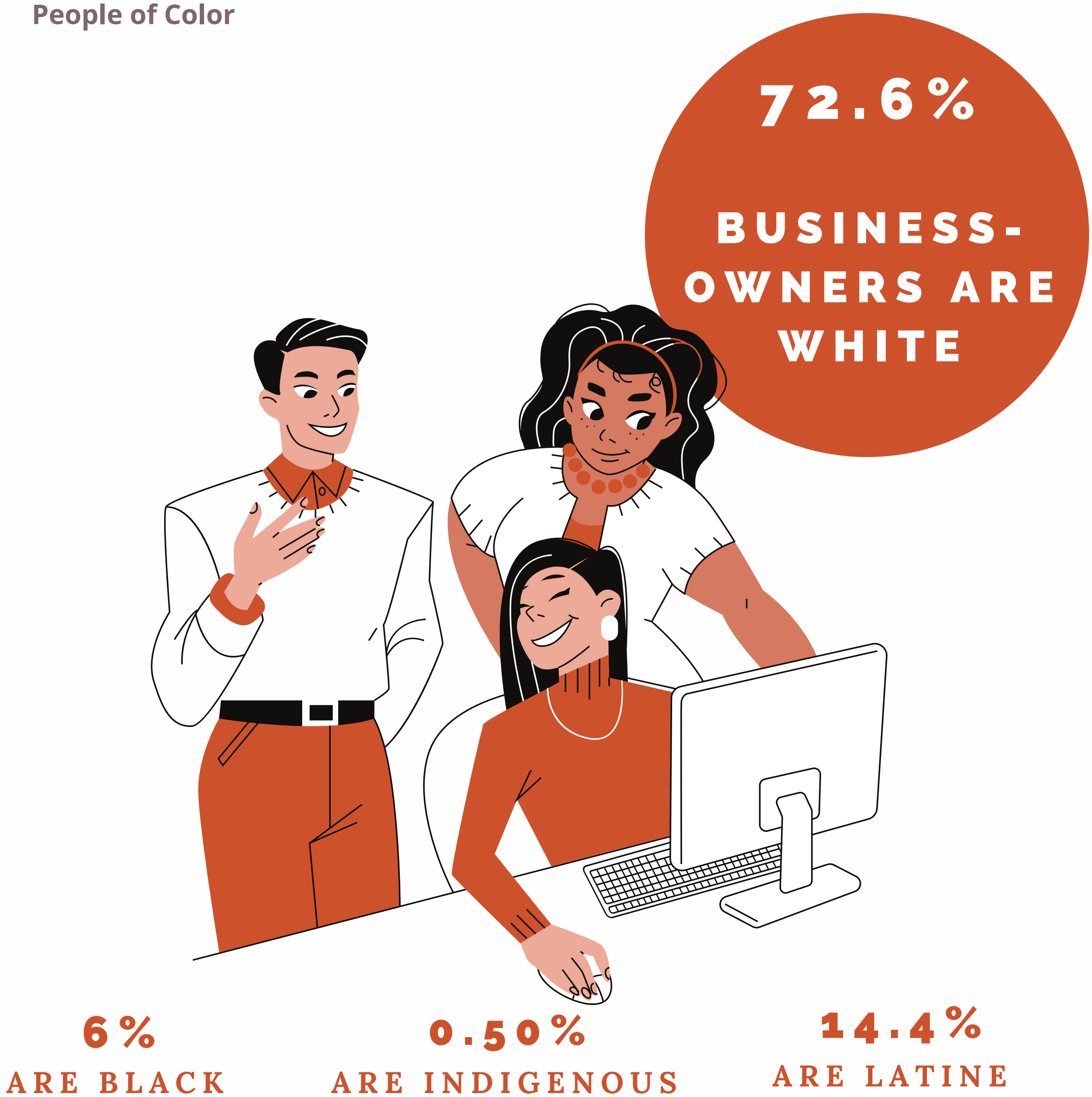
Figure 6. Blacks, Hispanics more likely to pay higher mortgage rates



For more information on Home ownership see pg. 7 in the Literature Review, see appendix A.

Further, loans are still difficult for BIPOC individuals to obtain because of how risk assessments are based on factors coded for race (i.e., zip code). Other kinds of wealth building assets, which also rely on access to credit, are owned at disproportionately lower rates by BIPOC individuals such as businesses (see Figure 7). Additionally, there is a disparity in the longevity of business ownership. For example, Black-owned businesses are less likely to remain open beyond four years compared to white-owned businesses (Kroeger and Wright 2021). Some of the drivers for lower success rates include a lack of network, mentors, and familial experience opening up a business and acquiring startup capital (Fairlie & Robb 2008), lower levels of wealth and intergenerational capacity to transfer business ownership (Camara et al. 2021), and discrimination in credit markets.

Figure 7. Nationally Businesses-Ownership Is Less Accessible for People of Color

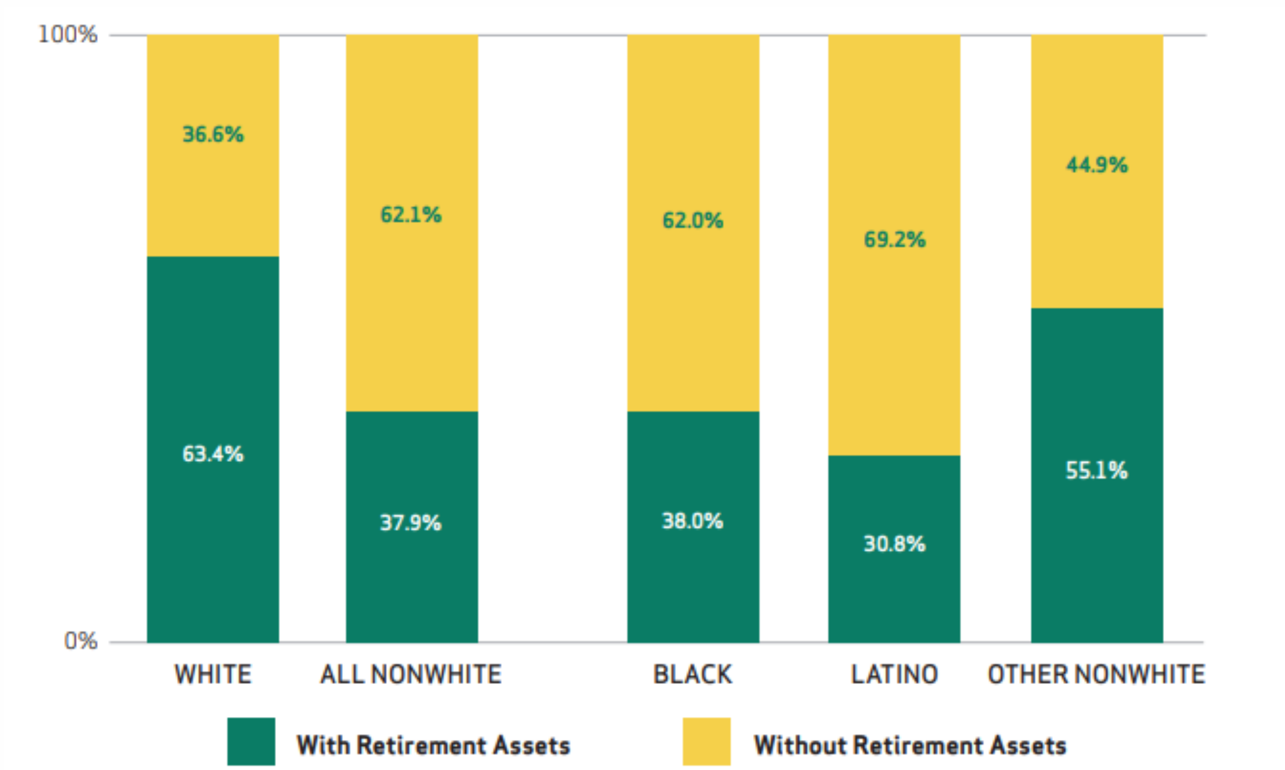


Source: Zippia. 2021. "Business Owner Demographics and Statistics [2021]: Number of Business Owners in the US." Zippia.Com. Retrieved August 9, 2021 (https://www.zippia.com/business-owner-jobs/demographics/).

For more information on business ownership see pg. 12 in the Literature Review, see appendix A.

In addition to disparities in housing and business ownership, the extent of the racial wealth gap can be understood by looking at differential savings rates. According to the National Institute of Retirement Security, three of four Black households and four of five Latine households have less than $10,000 in retirement savings compared to one of two white households. BIPOC folks approaching retirement age have average savings of $30,000, which is just one-quarter of the average saved by white households ($120,000) (NIRS 2013). Brown (2021) also demonstrates that Black individuals commonly withdraw funds early from their retirement savings and pension accounts to take care of less well-off family and community members while paying an increased penalty for early withdrawal. Figure 8 illustrates the disparities between white, Black, and Latine in terms of ownership of retirement assets.

Figure 8. A Large Majority of Black and Latine Working-Age Households Do Not Own Assets in a Retirement Account



Source: National Institute of Retirement Security. 2013. "Race and Retirement Insecurity in the United States." https://www.nirsonline.org/wp-content/uploads/2017/07/race_and_retirement_insecurity_final.pdf

ECONOMIC STABILITY

The COVID-19 pandemic has highlighted the lack of economic stability in Black, Indigenous, and Latine communities. BIL communities have not only been disproportionately affected by the disease, but they are also most impacted by the economic crisis and are currently the most likely to experience employment and business losses (MetLife and U.S. Chamber of Commerce 2020). The key to economic stability is having enough monetary resources to survive during times of crisis, and BIL communities are most likely to have insufficient safety nets to avoid going into significant debt, foreclosure, or bankruptcy. However, Black, Indigenous, and Latine households earn significantly lower wages when compared to white households (see Figure 9).

A higher concentration of low-income Black and Latine households means higher rates of poverty. According to the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, Black folks represent 13.2% of the total population in the United States, but 23.8% of the population in poverty; Latine folks represent 18.7% of the total population, but 28.1% of the population in poverty (Creamer 2020).

The National Congress of American Indians 2017 data indicated that the median income for Native American Indians was $40,315, which is considerably lower than the national average ($57, 625).

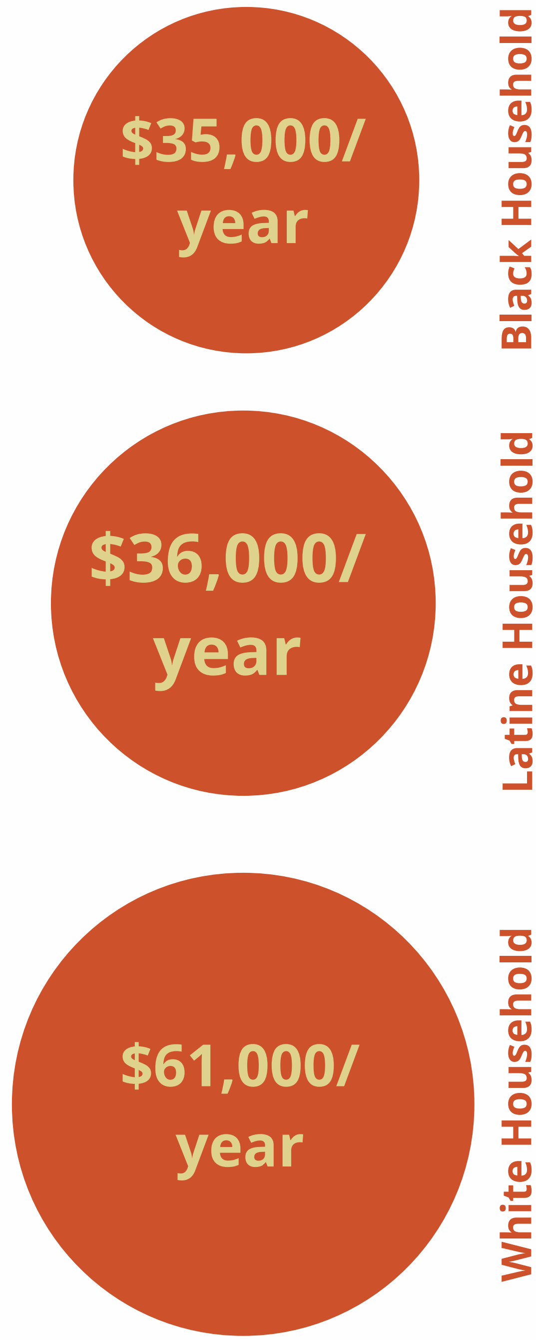


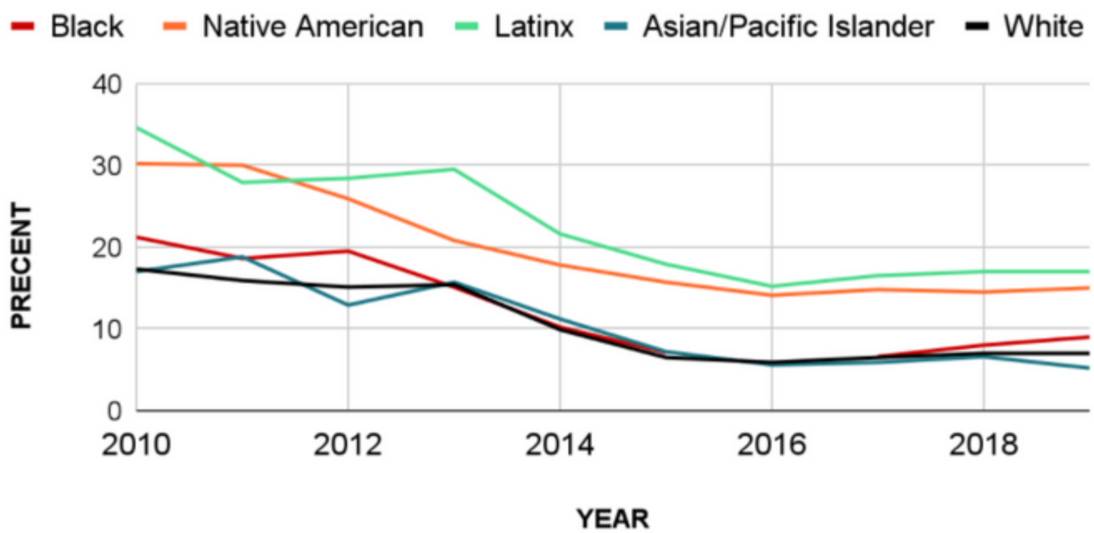
Figure 9. White, Latine, and Black Median Household Income

Source: Nieves, Emanual. 2019. "The Racial Wealth Gap." Prosperity Now. https://prosperitynow.org/blog/infographic-racial-wealth-gap

Income disparity among Native Americans is most present on reservations. Household income is $11,218 lower than the national income average for Native Americans (Asante-Muhammad, Tec & Ramirez, 2019). Based on 2018 Census data, Native American and Native Alaskan individuals have the highest percentage of unemployment (6.6%) compared to Black (6.5%), Latine (4.7%) and white (3.5%) populations (Bureau of Labor Statistics, 2019).

Lower income households in general also have less disposable income to save, put towards investments, or stay afloat during emergencies (Bhutta et al. 2020). Medical costs, in particular, and medical debts incurred are common among all Americans, but disproportionately strip Black people of wealth (McKernan, Brown, and Kenney 2017). In Oregon, the rate of uninsured Oregonians has considerably decreased, but there is still a large proportion on Indigenous and Latine Oregonians who remain uninsured (see Figure 10).

Figure 10. Rate of Uninsured Non-elderly Oregonians From 2010-2019



Source: Kaiser Family Foundation (KFF). 2020. "Uninsured Rates for the Nonelderly by Race/Ethnicity." *Kff.Org*. Retrieved September 9, 2021 (https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-by-raceethnicity/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D).

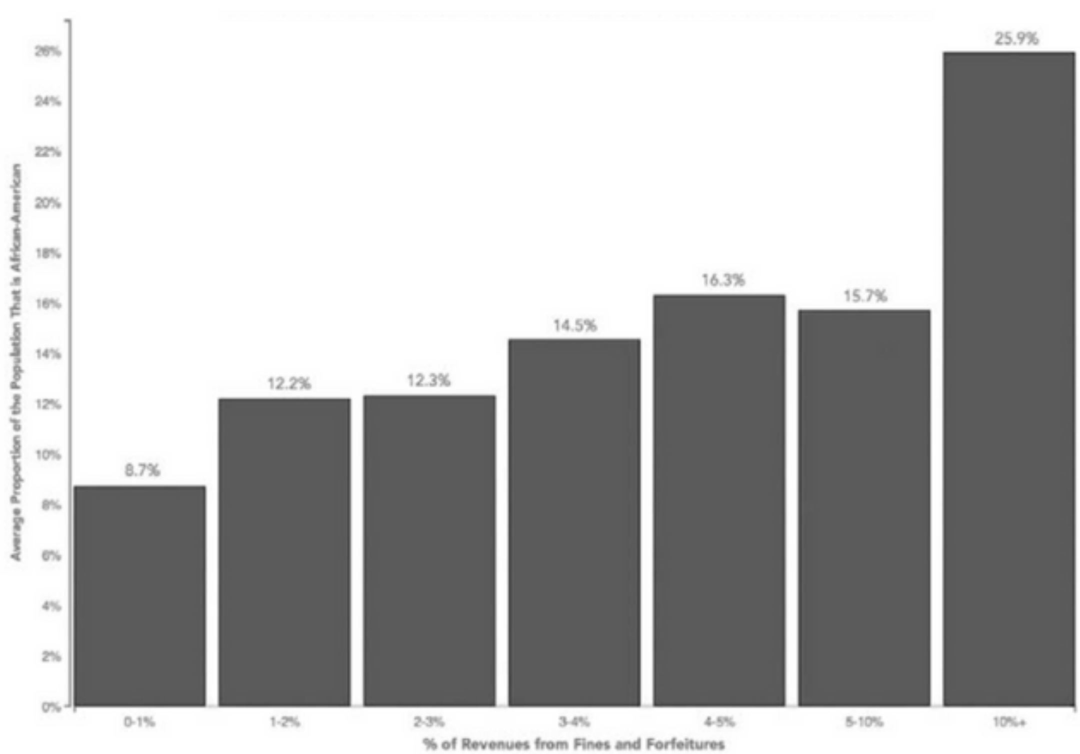
COVID-19 has illuminated the extent of economic instability experienced by BIPOC communities, with the pandemic exacerbating disparities. In particular, Black and Latine families have experienced higher rates of job loss, unemployment, use of savings, and selling of assets to meet household spending needs. The virus itself has also hit Black and Latine communities harder, as they are more likely to be essential/in-person workers. Sixteen percent of Latine workers and 20% of Black workers have the ability to work from home in comparison to 30% of white workers (Solomon and Hamilton, 2020). Further, BIL folks are more likely to contract, be hospitalized for, and die from COVID-19 because of their positions in the labor market. These families are also more likely to not have health insurance, which means that contracting COVID-19 could force them to deplete their savings, incur debt, or forgo medical care. And families who suffer the death of a member face the additional costs of funeral expenses (Kijakazi, et al. 2021).

WEALTH STRIPPING

With disparities in economic stability, wealth stripping agents have a greater effect on BIPOC communities. Many wealth stripping agents are caused by regressive policies that benefit predominantly white households—in the case of taxation, largely affluent white households—and serve to economically disadvantage BIPOC households and communities. It is important to note that the regressive policies presented here are distinguished from community-led, racial justice policies that center BIPOC communities and benefit all (examples of the latter are provided in Recommendation #3 on page 67).

One of the most prevalent wealth stripping agents is the criminal and legal system. In a report by the United States Commission on Civil Rights (2017), Ferguson, MO was used as an example. The report highlighted that in 2012 the city acquired 13% of its revenue from court fees and fines compared to a similar sized city that collected 3% in court fees and fines. A national study cited in the report found that Ferguson, along with other cities and towns where 10% or more of their revenue depended on court fees and fines, have large Black populations. In fact, among the municipalities studied, there was a positive correlation between reliance on court fees and fines and the proportion of Black residents, while there was no correlation between poverty and reliance on court fees and fines (see Figure 11). In other words, more Black residents means a higher amount of and reliance on court fees and fines.

Figure 11. Cities with High Fine Rates Have Larger African American Populations



Source: U.S. Commission on Civil Rights. 2017b. *Targeted Fines and Fees Against Low-Income Communities of Color: Civil Rights and Constitutional Implications.*

In Oregon, BIL individuals are heavily burdened by the criminal and legal system. In 2018, "1,642 people had their first felony conviction in Oregon for drug possession, with African Americans convicted at a rate nearly twice that of white people" (Crombie 2019: para 12) and "Native Americans were convicted of felony drug possession last year at five times the rate of whites, the highest of any racial or ethnic group. They also were convicted of a first felony for drug possession at four times the rate of white people" (Crombie 2019: para 6). Per 100,000 people in racial/ethnic groups in 2010, Black (3% n=3,195), Native (1% n=1,316), and Latine (.008% n=809) folks were all more likely to be incarcerated than white (.005% n=506) Oregonians (Sakala 2014).

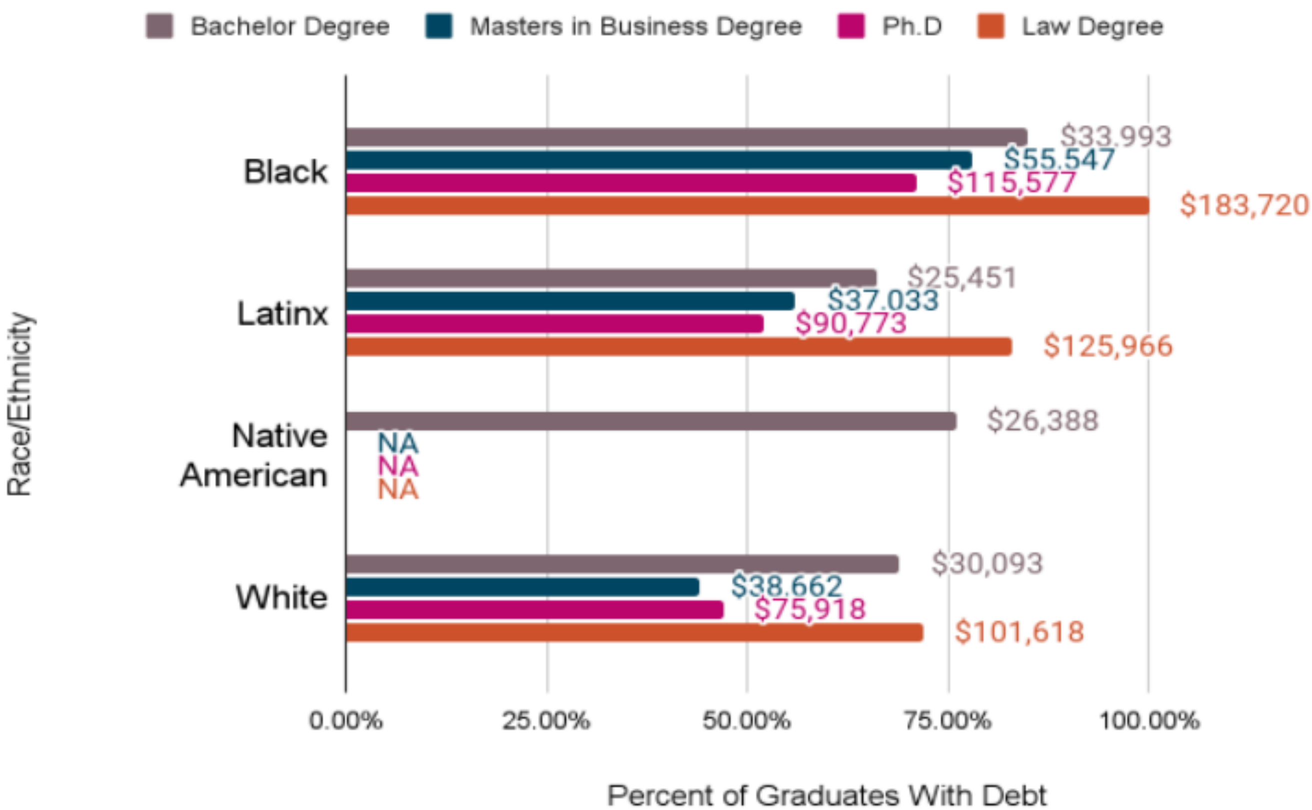
Removal from society through incarceration, for any amount of time, is also often the removal of families' main source of income. Nearly 75% of formerly incarcerated people are still unemployed a year after release (NAACP 2021). Longitudinal research has indicated that incarceration decreases individuals' estimates of wealth to nearly zero regardless of race; this does not consider the wealth stripped from friends and families supporting their loved ones through fines and fees (average of $13,607) and costs of basic necessities like commissary, phone and email (some pay up to $6,000/year) (Zaw et al. 2016; Lockwood and Lewis 2019). Further, research shows that after 22 or more years since their last incarceration white individuals accumulate wealth far faster than Black and Latine individuals, and never incarcerated Black people still had less wealth than previously incarcerated white people (Zaw et al. 2016).

In addition to the wealth stripping from incarceration costs and fees, significant disparities exist in how incarceration impacts credit scores. "Individuals in black households with an ever-incarcerated member had the lowest average and median FICO credit scores. Their scores were about 219 points lower than those of white individuals in households with no incarceration history" (García-Pérez et. al, 2020:2). Furthermore, never-incarcerated Black people have a 170 point lower credit score than ever-incarcerated white people (ibid). Truly assessing this information requires one to recognize that there is less institutional willingness to lend to Black individuals with no incarceration history than to lend to white individuals with a history of incarceration. While we are not suggesting that formerly incarcerated individuals should be denied any rights or opportunities for economic advancement, this reality points to ongoing systemic racism that prevents BIL communities from wealth building.

For more information on wealth stripping via the criminal and legal system see pg. 35 in the Literature Review, see appendix A.

Another wealth stripping agent that affects Black, Indigenous, and Latine communities communities at higher rates is debt. As education is widely viewed as a wealth building pathway, a greater proportion Black, Indigenous, and Latine communities are burdened by student loan debt (see Figure 12). For instance, four years after graduation, the average Black college graduate owes $52,726, compared to $28,006 for the average white college graduate (Scott-Clayton and Li 2016).

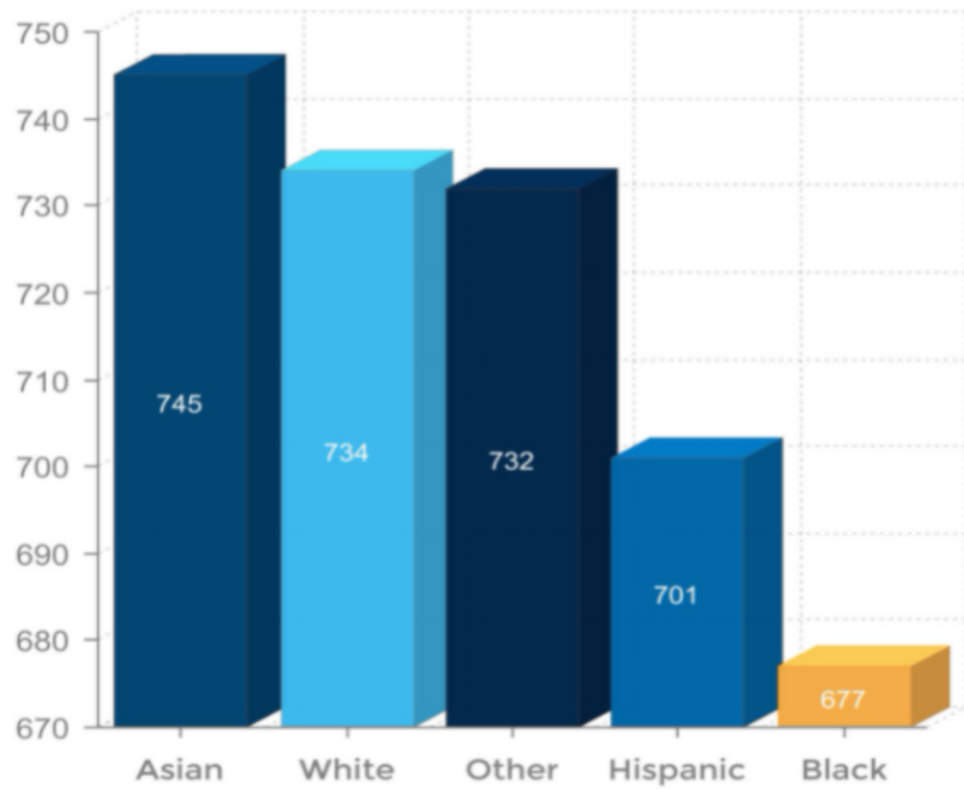
Figure 12. Percentage of Students Graduating with Student Debt and Average Amount of Debt by Race



Source: Pallardy, Richard. 2019. "Racial Disparities in Student Loan Debt." *Savingforcollege.Com*. Retrieved September 17, 2021 (https://www.savingforcollege.com/article/racial-disparities-in-student-loan-debt).

One consequence of accumulating debt is receiving a lower credit score. "Credit worthiness" is a crucial factor for accessing affordable credit and building wealth, but many people of color are excluded from these opportunities due to lower credit scores (see Figure 13). The consequences of lower credit scores are profound and include higher interests rates on mortgages, student debt repayments, and credit cards; higher insurance premiums; and greater difficulties securing jobs and rental housing; and potentially incurring higher utilities costs.

Figure 13. Average Credit Score by Race



Source: Shift. 2020. "Credit Score Statistics." *Shiftprocessing.Com*. Retrieved September 17, 2021 (https://shiftprocessing.com/credit-score/).

A credit score is determined by the likelihood of an individual replaying a debt. The generations of advantages accrued by receiving government subsidies that have disproportionately gone to white households—accessible homeownership; tax benefits for buying, selling, and inheriting homes that appreciate in value; attending college without graduating with debt; and securing well-paying employment—result in years of positive credit scoring in data systems and set up children for success. Meanwhile, intentional, policy-driven segregation along racial and ethnic lines and disinvestment from these spaces have led many BIL families into generations of economic instability and poverty. Children aspiring to get out of these conditions enter into data systems later in their lives compared to their white counterparts and often inherit debt, creating a longer and challenging pathway towards building better credit.

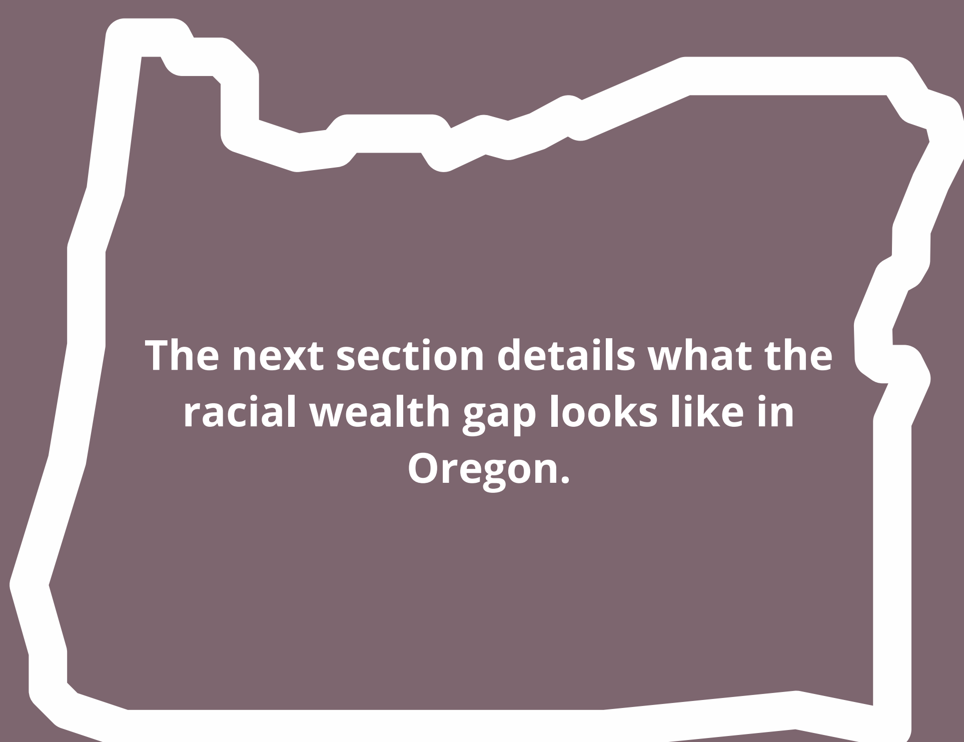
For more information on wealth stripping related to education see pg. 33 in the Literature Review, see appendix A.

For more information on debt and wealth stripping see pg. 14 in the Literature Review, see appendix A.

The costs and fees of the criminal and legal system, accumulation of debt, and a flawed credit scoring system are stark examples of wealth stripping agents that target BIL communities. Another consequential wealth stripping agent that goes under the radar is the the tax system. It is assumed that the tax system is "race neutral" because tax codes are no longer written to explicitly penalize or exclude individuals based on race. However, the effects of many tax policies serve to strip wealth from BIL communities.

For instance, in Oregon, supermajority (⅗) requirements ensure that any changes to the tax code are difficult to achieve, and limitations on raising property taxes overwhelmingly serve to protect wealthy, white property owners. Mortgage interest deductions and kicker rebates are other tax policies that mainly subsidize well-off homeowners and rebate high-income earners—mostly white folks—which deepens racial inequality.

Further, when considering all of the different taxes collected at the state and local levels such as income taxes, property taxes, and excise taxes (e.g., gas and tobacco), those who earn the least pay a higher share of their income while those at the top pay the least. This means that BIPOC Oregonians disproportionately pay higher taxes than white Oregonians.



The data presented thus far unequivocally demonstrates not only the existence of the racial wealth gap, but that it continues to grow despite decades' worth of programmatic and policy efforts to close it. For a more detailed discussion of the persistence of the racial wealth gap, and the continued complicity of institutions, see the section on "Institutional Betrayal" on page 61. Despite the story that mainstream data can tell about the racial wealth gap, one of the limitations of quantitative data is that it excludes the nuances and complexities of people's experiences; it also creates large identity containers for racialized populations that do not recognize a diversity of histories, cultures, languages, and experiences.

For instance, mainstream data shows information about Black, Indigenous, and Latine populations with no disaggregation of these broad categories. The creation and use of monolithic categorizations flattens a diversity of experiences. The experiences of African Americans who continue to live with the legacies of U.S. slavery are lumped together with recent immigrants from West Africa, whose social, cultural, and economic orientations may be very different from African Americans. A similar flattening occurs for Latine communities who have widely different experiences of immigration, language fluency (e.g. many Latine folks speak Indigenous languages), and culture. And data about Indigenous communities in general is woefully lacking with so many differences not being captured (e.g., Natives residing in urban areas versus reservations).

In the following sections, we aim to humanize the data presented so far by presenting three vignettes that speak to some of the nuances and complexities of Black, Indigenous, and Latine experiences of the racial wealth gap.

Black Folx in Oregon

Black
African American
Caribbean
African

Indigenous Folx in Oregon

American Indian
Native Alaskan
Clatskanie
Chinook
Sahaptin
Nez Perce
Tillamook
Kalapuya
Alsea
Molalla
Northern Paiute
Sluslaw
Coos
Tututni
Atakelma
Klamath
Modoc
Shasta
Clackamas
Taltushtuntude
Chasta Costa
Athapascan
Siuslaw
Yahuskin
Walla walla
Nez Perce
Cayuse
Coquillie

Latine Folx in Oregon

Indigenous
North American
Central American
South American
Caribbean
Spanish

With mainstream data being unable to capture the nuance and complexity of stories—and their humanness—we felt it was important to present vignettes that centered an individual or community (in the case of the Klamath Tribe) experience related to the racial wealth gap. While each vignette is representative of broad struggles, hopes and triumphs experienced by Black, Indigenous, and Latine communities, we recognize that one vignette cannot account for the breadth of experiences within each of these communities. However, it is important to humanize and contextualize data in ways that demonstrate how BIL communities exist within structures and legacies of oppression that are shared and also unique to each group's history and culture. The aim of these vignettes is to illustrate the all-encompassing characteristics of the racial wealth gap and how wealth stripping agents impact aspects of employment, education, ownership, health, debt, and capital for BIL Oregonians.

BLACK FOLX IN OREGON

WEALTH BUILDING

Lowest rates of homeownership compared to all other racialized groups

34.6%

Compared to 66% of white people

(Prosperity Now, 2020)

Black workers in Multnomah County are overrepresented in low wage jobs

Urban League of Portland, 2015

Highest rate of poverty

28%

Compared to 12% of white Oregonians

(Mechling 2020)

3,195 per 100,000 Black people
506 per 100,000 of white people
were incarcerated in 2010

(Sakala 2014)

ECONOMIC SECURITY

WEALTH STRIPPING

Lillian Medley is a 45 year old Black woman who has deep family roots in the Portland Metro area. Lillan's ancestors were among the millions of enslaved people that built this nation without compensation even after it was promised through reparations (Lee 2019). After the abolishment of slavery, many Black families moved west to escape the predatory practices of sharecropping and Jim Crow conditions in the South (Lee 2019). The Medleys were attracted to Oregon due to the economic opportunities in shipping and railroads (Green 2019), despite the state government's desire to maintain a white-only territory through exclusionary laws and violent actions such as government sanctioned whippings and lynchings in "sundown towns" (Millner, n.d.). Still, in the early 1900s, the African American population in Portland grew on account of economic prosperity and opportunity, but settling in a state whose constitution prohibits your existence comes with profound economic hardships (Green 2019). Although white residents prohibited the participation of African Americans in their communities, Black residents manufactured a haven through businesses and churches (Green 2019). However, through the mechanisms of gentrification, displacement, segregationary policy and policing, the Black community was pushed further away from the city center (Reid-Merritt 2019). There, Lillian's family are members of a powerful community that survived Oregon's attempts to remove their existence from the state's borders. Later on, the community resided in Albina after surviving the Vanport flood and again was displaced due to the construction of the I-5 highway (Roos 2021). However, through all that adversity, the Medley's remained in Portland.

During her time in the city, Lillian was successful in school and went to the local university to get a head start in her career as an independent business owner. Lillian had a desire to build a haven for her community reminiscent of the establishments of the 1900s. However, like many Black women, Lillian's education was dependent on her personal money and student loans, despite the many grants and scholarships she applied for. When she finished her education, Lillian remained determined, but she had to grapple with student loans that stripped her of the ability to save money (Kimmell & Martin 2015). Compared to her white classmates, Lillian's family did not have the same safety net from homeownership and other assets that could help bolster her capital. Her lack of capital made it exceedingly difficult for her or others in her community to secure a small business loan, or any other loan through a bank. So Lillian had to resort to more risky loans (Kish 2018). This led to the accumulation of more high interest debt and made it more difficult to save money to buy a home. When she was finally accepted for a mortgage, her interest rate was higher on account of her lack of capital (Joint Task Force Addressing Racial Disparities in Home Ownership, 2019) and her history of debt.

In Portland, the number of loans to Black-owned businesses dropped to five two years after 2008 economic crisis, and has continued to be below 10 ever since.

Kish 2018

Nationally and in Oregon, Black business owners not only have less capital, but also have to invest more in order to be taken seriously by the very banks that contributed to the Black community's exclusion from accessing capital through redlining and predatory lending practices. For now, Lillian has to make the difficult choice to either let go of her business and work in the private sector or let go of her house and become a renter. However, due to rising rents Lillian's financial situation might force her to leave Oregon entirely, in search of better opportunities. Lillian has all the elements needed to become a successful business owner, but historical and present wealth stripping agents put Lillian and other people of color perpetually at the precipice of losing everything.

INDIGENOUS FOLX IN OREGON

WEALTH BUILDING

2.8 million acres

of Indigenous land was stolen by white settlers after the Donation Land Claim Act 1850

(Notarianni 2020)

67% Indigenous students graduated from high school in 2019-20 compared to **84%** White

Cohort Graduation Rate 2019-2020

Indigenous Students experience 2x more disciplinary incidents compared to white students

(ECONorthwest analysis of ODE data [see Appendix B])

ECONOMIC SECURITY

904,000 acres of Indigenous reservation land is held in a federal trust

(Legislative Commission on Indian Services n.d.)

Meaning the US government holds the deed to the land, preventing Indigenous people building wealth from their property. Additionally, the land could be removed by Congress at any time.

(U.S. Department of the Interior n.d.)

WEALTH STRIPPING

The Klamath Tribes consist of Klamath - Modoc - Yahooskin Tribes whose ancestral homeland stretches from the desert plateaus of Central Oregon to the forests of Northern California (Ethnohistory Research, LLC and Lewis 2018; Chinu n.d.). These nations have lived as conservationists of the land for thousands of years. This practice is a tenant of Klamath and other tribes' concept of wealth. It is about respecting what the land gives rather than owning and capitalizing its resources. Although this was the source of Klamath survival, it is not aligned with western settler-colonial perspectives of wealth. Before treaties were proposed, the United States government began doling out land to white colonizers despite Indigenous communities living there (Cain 2017). This entitlement created conflict that cost many lives. In addition to the violence, Indigenous people died in droves due to the influx of foreign diseases spread by colonizers (Cain 2017). An estimate of 90 percent of Indigenous people died in the 18th century due to multiple epidemics (Cain 2017). Out of fear of losing more community members to white militias, Indigenous nations in Oregon began signing treaties that would displace them from their lands. The Grand Ronde nations were the first to be displaced in 1857, and were forced to walk 263 miles to the Oregon coast, a journey in which many community members and elders lost their lives (Otto 2019). In Klamath, a treaty was signed in 1864 to protect the tribes' hunting and fishing land and ceded nearly 22 million acres to the US government (The Klamath Tribes n.d.).

Despite being forced into agreements with the US government, the Klamath Tribes were able to prosper and by the 1950's were the second wealthiest Tribal Nation in the country and completely self-sufficient (Chinu n.d.; Robbins 2002). The Klamath Tribes became economically prosperous through their logging mills, and that wealth was given back to tribal citizens by establishing welfare programs (Chinu n.d.). However, after World War II the United States broke its treaty and violated Tribal sovereignty. In 1954 the Klamath Termination Act removed the Klamath Tribes' hold on their land with abysmal consequences. Klamath Tribes were forced to liquidate their assets and sell their land to private companies (Chinu n.d.). The loss of land directly impacted the Klamath peoples' economic, physical, and spiritual livelihoods. In less than a decade the richest Tribal Nation had the highest rates of poverty in the state, the community's health plummeted, young Indigenous people died in droves, and their children's educational opportunities waned (Robbins, 2002).

In Oregon, 23% of Native Americans are below the poverty line pre-pandemic compared to 12% of white counterparts. There is a lack of Native American data on wealth from the United States government.

(Darity Jr., et al. 2018; Mechling 2020)

Various termination acts effected many tribes across Oregon and led not only to their removal from their homelands, but also stripping of their sovereign status. Termination led to mass displacement and many moved to metropolitan areas for economic relief. In urban areas, many experienced unemployment, low-wage jobs, discrimination, and disconnection from cultural supports (National Archives n.d.). Urban relocation programs following termination played a significant role in the urbanization of Indigenous people; urban Native populations grew from 8% in 1950 to 64% in 2000 (National Archives n.d.). It is estimated that by 2010, 60 percent of American Indians and Alaska Natives live in metropolitan areas (Office of Minority Health 2022).

After years of lobbying and advocacy, in 1986, the Klamath Tribes federal status was restored, but without a land base (Klamath Tribes n.d.). However, much of the damage had been done. Due to irresponsible forestry and agriculture water practices by their non-Native neighbors, the sacred land and animals of the Klamath are now being threatened by the effects of these practices (Ostenson and Atkinson, n.d.; Chinu, n.d.). Today, the Klamath Tribes are advocating for the restoration of their land and protection of their wildlife, but the Oregon government is still preventing this restoration through laissez-faire regulatory policies that fail to take responsibility for the harm that has already been caused (Ostenson and Atkinson n.d.; Bakall 2021).

Of the 109 tribes that were terminated nationwide

64 were in Oregon

(Legislative Commission on Indian Services n.d.)

LATINE FOLX IN OREGON

WEALTH BUILDING

Homeownership rate is

45.9%

compared to 66% for white people

(NAHREP 2020)

Projected that

90%

of Oregon's farmworkers are Latine & the average wage is about

$18-20,000/yr

(Lugo 2016)

4 year degree or more

12%

compared to nearly 33% white adults

(Oregon Community Foundation 2016)

Latinas earn $0.53 per dollar earned by all men. Nationally, 41% are the primary source of income for their families

(ECONorthwest & Maloney n.d. [see Appendix B])

ECONOMIC SECURITY

67.1%

Latine Oregonians are not covered by workplace retirement plans compared to 43.3% of white Oregonians

(AARP 2015)

WEALTH STRIPPING

Cipriano Ferrel is a 17 year old Latino living in Eastern Oregon. Cipriano is the first born of immigrants working in agriculture. Although Cipriano's parents were not born in Oregon, his fellow Latine community members have a long history in this state. Many of his community's ancestors were recruited to join the war effort during World War II in the Bracero Program. The Bracero Program was an agreement made by the US and Mexico that brought 4.5 million workers to the United States over 22 years to help supplement lost farm and industrial labor during the war (Oregon Broadcasting Program [OPB] 2006). Despite their contribution, the Oregon government made it clear that Mexicans were not allowed to stay. Between the 1930s and 1950s, there were numerous attempts to deport the very same individuals that helped keep Oregonians fed during the war (Garcia, n.d.). One of these deportation programs was called "Operation Wetback," led by U.S. Immigration and Naturalization services, which deported one million Braceros in 1954. Despite a long history of deportation and exclusionary immigration laws, Latine Oregonians comprise 13% of the population (US Census Bureau 2021). Latine Oregonians are growing in both rural and urban areas, with the largest population growth being seen in Eastern Oregon, which includes many rural counties (Romero 2021).

The Bracero Program was an early example of how immigration policy cemented the devaluation and exploitation of non-white agricultural labor, especially with the creation of the "temporary worker" status. Latine people have the highest labor force participation of any ethnic group in the United States at 66.1%, but despite the high rate of employment Latine people are not being adequately compensated for their labor nor are they provided with same access to key wealth building tools used by white populations such as home ownership, land ownership, and higher education (US Bureau of Labor Statistics 2019; Huennekens 2018). With immigration policies aligned to the demand for low wage and expendable labor, Latine communities are overwhelmingly overworked, underpaid, and significantly vulnerable, especially during times of economic instability. This lack of financial stability has also made Cipriano, his family and his community susceptible to economic crisis. In 2008 Cipriano's multigenerational family and many members of his neighborhood lost their homes to the housing crisis (Vallejo and Keister 2019).

The rate of foreclosure for Latine households was 14% in 2008, compared to 11% for Black, 8% for Asian, and 6% for White households. (Rugh 2015)

Today, Cipriano has a part time job and is looking forward to attending university in the upcoming year. Education is very important to Cipriano, and he will be the first in his family to attend university, which fills him with pride. Although his family is very supportive of his aspirations, he notices a difference in the way he is treated by his teachers compared to other white kids in his community. Cipriano grew up in a rural small town in Oregon and enjoyed the proximity to other Latine community members. However, the town itself is very racially segregated. This segregation has made attaining education a challenge for Cipriano and his community members. He and his Latine classmates have not been encouraged to access the same academic opportunities that their white counterparts (Groeger, Waldman, & Eads n.d.).

What is more troubling to Cipriano is the rate of expulsion and suspension that he and his Latine classmates experience. It is clear to Cipriano that his teachers have more tolerance for his white classmates' behavior than his own behavior (Groeger, Waldman, & Eads n.d.). The unequal rate of suspension causes Cipriano to miss class and his course work becomes difficult to do because he is not getting the same amount of support as his other classmates (Jones, Margolius, Rollock, Yan, Cole, and Zaff, 2018). This not only inhibits Cipriano's education, but it also affects his confidence in his studies (Noltemeyer, Ward, and Mcloughlin, 2015). While Cipriano hopes that a university degree will allow him access to the kinds of financial stability not afforded to his family, he knows he is taking a risk. In Oregon, BIPOC adults with Bachelor's degrees tend to have less income, compared to white adults with the same level of education (Rogoway 2020). Similar to Lillian, Cipriano is starting school with less generational wealth, which means he will likely have to apply for loans and enter into debt. These few examples of wealth stripping agents in education inhibit Cipriano access to wealth even before he has a chance to obtain it.

The Oregon Department of Education's (ODE) 2020 state-wide report card shows that 10% of Black, 9.2% of Native American, 5.5% of Latine, and 5.4% of multiracial students had one or more disciplinary incident in 2019-20.

It is important to note that the racial disparities in wealth described in the vignettes not only disadvantage BIPOC communities, but they disadvantages all Oregonians. If the racial wealth gap was closed in Oregon, from 2005 to 2019 the state's GDP would have increased by $4.1 Billion annually (Federal Reserve Community Development Staff 2021).

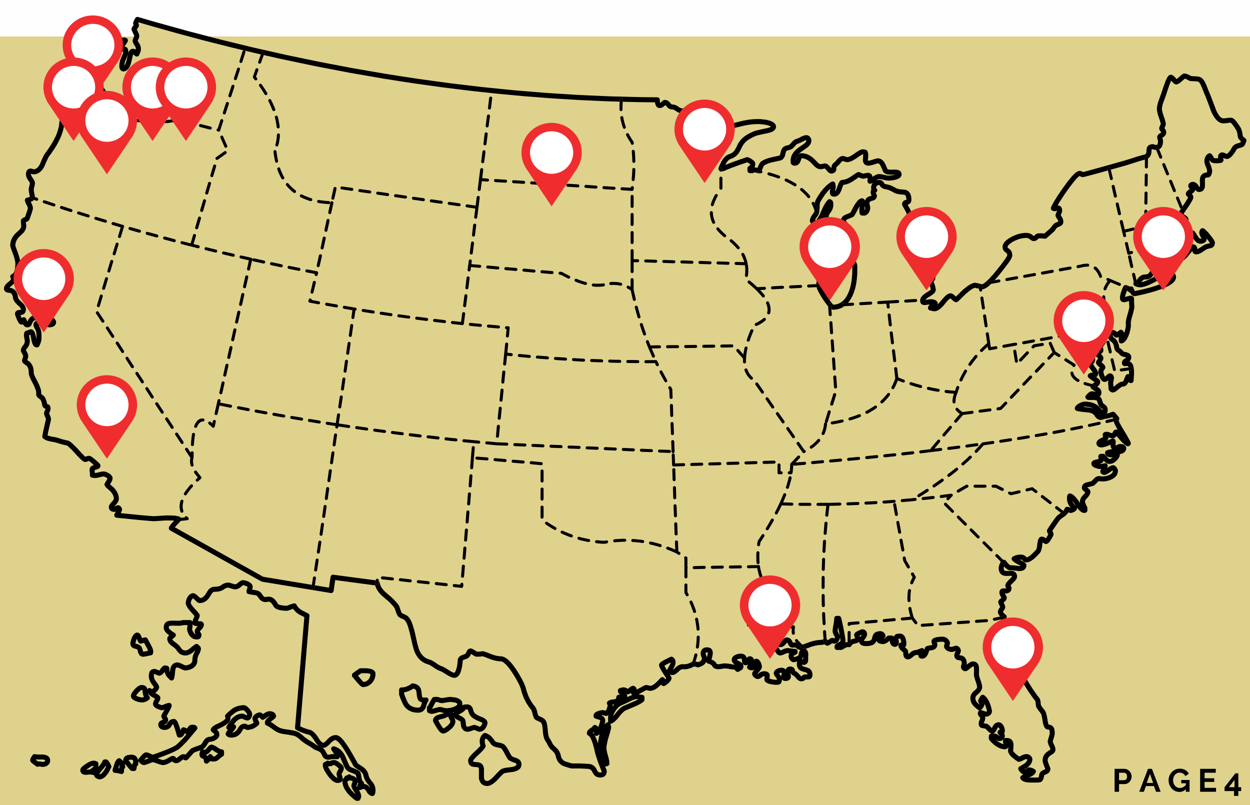
Figure 14. Without the Racial Wealth Gap, Oregon Would Make Annual Gains In...

Federal Reserve Community Development Staff. 2021. "How Much Could US States Gain by Closing Racial and Gender Gaps in the Labor Market?" Fedcommunities.Org. Retrieved September 20, 2021 (https://fedcommunities.org/data/closethegaps/).

APPROACHES TOWARDS ADDRESSING THE RACIAL WEALTH GAP

2.0

The approaches to addressing the racial wealth gap presented in this section—dominant and community-desired approaches—are drawn from secondary research, survey responses, and interviews conducted with people working at community-facing organizations and dominant institutions. Community-facing organizations refers to either non-profits or groups of community members that serve BIPOC community members directly. Dominant institutions refers to federal, state, and municipal governments, banks, foundations, and for-profit organizations that interact with BIPOC community members. Survey and interview participants work in various sectors of economic justice and represent different communities inside and outside of Oregon (see map below). In total, we interviewed 23 individuals, received 11 survey responses from BIPOC facing organizations and 11 survey responses from dominant institutions. Due to the limited number of dominant institution perspectives, we also researched over 100 examples of dominant approaches to closing the racial wealth gap across the country. Next, we hosted a community vetting event where our data from the surveys and interviews was discussed, validated, and framed by 13 of our participants. Finally, a draft of the report and literature review was shared with all participants and philanthropic partners; their feedback has been incorporated in our results and final recommendations.



2.1

DOMINANT APPROACHES

Dominant approaches to closing the racial wealth gap include strategies and programs prioritized, promoted, and funded by dominant institutions. However, it is just as important to note that many community-based and culturally-specific organizations support these strategies and programs for the communities they serve. These approaches are differentiated from community-led approaches (discussed below) for a number of reasons and they often share some or all of the following characteristics. A dominant approach: (1) is deemed worth funding by a general consensus of stakeholders situated within spaces of power; (2) is supported by largely quantitative evidence that demonstrates some agreed-upon metrics for feasibility and impact; (3) can generate and be implemented with a broad base of political support; and (4) does not center cultural specificity, but can be adjusted for cultural specificity.

There are numerous dominant approaches to closing the racial wealth gap, and while we capture many of them here, we do not claim to capture all of them. Therefore, rather than focus on building an exhaustive list of approaches, we have created a framework that situates approaches to closing the racial wealth gap based on similarities of objectives (i.e., the “what”) and goals (i.e., the “how”). Table 2 illustrates the framework for evaluating dominant approaches based on the following four categories: Access, Protect, Tools, Repair. We chose to present these categories in this order because of how community members—during the community data vetting event—evaluated approaches using a feasibility and importance matrix. Approaches categorized as “Access” were deemed feasible and important, while approaches categorized as “Repair” were deemed important but lower on the feasibility scale than others, due to the level of organizing and political capital needed to realize these types of approaches.

Table 2: Framework for Evaluating Dominant Approaches to Close the Racial Wealth Gap

Access	Protect	Tools	Repair
Objective: address systemic barriers to "level the financial playing field" ***Goal***: implement financial investment and assistance programs and policies	***Objective***: mitigate or eliminate harm produced by wealth stripping mechanisms ***Goal***: implement policies and standards that create long-term economic stability	***Objective***: increase capacity for individuals to build wealth ***Goal***: provide education, technical assistance, and skills-building services	***Objective***: redress the legacies of past harms ***Goal***: increase intergenerational capacity to build and sustain wealth

Below we present each category on its own; we provide some context about the types of approaches in this category and links to national and Oregon-specific examples. Again, these examples are not meant to be an exhaustive list, but they serve as a reference point for readers to learn more about specific approaches. Links to examples might include organizations that support a specific approach, proposed and passed legislation, programs funded by governments, nonprofits, philanthropy, and other private sector institutions, and research and data published about specific approaches.

ACCESS

Objective
address systemic barriers to “level the financial playing field"

Goal
implement financial investment and assistance programs and policies

These approaches address specific policies, practices, and institutions that have served to exclude BIL individuals, families, and communities from wealth building. They tend to put material resources directly into the hands of individuals for the purpose of building financial wealth. Approaches include first time home-buyer grants, credits, and subsidies; government subsided investment accounts (“Baby Bonds”); Individual Development Accounts (IDAs); startup credit and incentives for minority-owned businesses; child tax credits expansion; educational scholarships and grants; fixed/universal income models; community development financial institutions (CDFIs); and grants to meet immediate/emergency community needs.

NATIONAL EXAMPLES

- HUD Homeownership Vouchers
- Connecticut Baby Bond Program
- New Markets Tax Credits Coalition
- Child tax credit expansion: Center for American Progress

OREGON EXAMPLES

- Oregon Bond Residential Loan Program
- Certification Office for Business Inclusion and Diversity
- IDA Initiative
- Affiliated Tribes of Northwest Indians Economic Development Corporation
- Child tax credit expansion: Oregon Office of Economic Analysis

PROTECT

Objective
mitigate or eliminate harm produced by wealth stripping mechanisms

Goal
implement policies and standards that create long-term economic stability

The road to wealth building, especially for BIL communities, requires policies that foster economic stability by eliminating wealth stripping mechanisms and creating and supporting social safety net protections. These include anti-displacement efforts; universal healthcare; universal child care and preschool; consumer financial protections; and addressing racial bias in home appraisals, risk assessment, and underwriting by creating equitable standards (currently appraisal standards vary from state to state). These strategies and policies were deemed most needed, in addition to the approaches under “Access,” for fostering the well-being and wealth building potential of BIL communities.

NATIONAL EXAMPLES

- Small Business Anti-Displacement Strategies
- National Nurses United
- First Five Years Fund
- Stop the Debt Trap
- Appraisal Foundation

OREGON EXAMPLES

- Imagine Black Anti-Displacement Coalition
- Health Care for All Oregon
- Multnomah County Preschool for All

TOOLS

Objective
increase capacity for individuals to build wealth

Goal
provide education, technical assistance, and skills-building services

These approaches tend to focus on individual and household level strategies so that those historically and currently excluded from intergenerational wealth building can at least understand and participate in the wealth building game. Common approaches include first-time homebuyer education and counseling (e.g., courses on mortgage readiness and foreclosure prevention); financial literacy programs; technical assistance for small businesses; and workforce readiness programs (e.g., trades and technology programs, apprenticeships). While these approaches have been widely promoted by governments, philanthropy, and private sector organizations, they have proven to be ineffective at closing the racial wealth gap. Indeed, one promising—yet underinvested—service is access to affordable financial planning for low-net worth individuals. It is recognized that high-net worth individuals rarely need to undergo financial education or literacy training because they have access to financial planners. This illustrates the flawed assumption that wealth is a measure of financial literacy.

NATIONAL EXAMPLES

- FreddieMac Credit Smart University
- Financial Capability: Prosperity Now
- Small Business Technical Assistance
- Workforce Training: Best Buy Teen Tech Training Centers
- Affordable Financial Planning Services: Freeman Capital

OREGON EXAMPLES

- Pre-Purchase Counseling: African American Alliance for Homeownership
- Homeownership Support: Hacienda CDC
- Homeownership Fair: Native American Youth and Family Center
- Technical Assistance Program: Oregon Native American Chamber
- Career and Technical Education: Oregon Department of Education

REPAIR

Objective
redress the legacies of past harms

Goal
increase intergenerational capacity to build and sustain wealth

While these approaches are fundamental for dismantling the continued legacies of systemic and institutional racism, they present many challenges because of their transformative potential. Approaches that aim to repair the legacies of past harm require large-scale organizing, political mobilization and will-power, and legal and financial resources. The approaches include reparations, tax code reform, and widespread representational equity within the workforce across all sectors of the economy.

NATIONAL EXAMPLES

- Reparations: Evanston, IL
- Mayors Organized for Reparations and Equity
- New Jersey Corporate and Higher Earner Tax
- New Mexico Corporate and Higher Earner Tax

OREGON EXAMPLES

- Portland City N/NE Preference Policy
- Senate Bill 619
- HR 40

2.2

COMMUNITY-DESIRED APPROACHES

This section considers what is meant by community-desired approaches to closing the racial wealth gap and provides examples identified during the community-informed part of this research process. Many of the dominant approaches presented in the previous section are impactful, valued, and promoted by BIPOC community leaders. These approaches focus on reducing or removing barriers to wage equity, education, and accessing assets; they aim to advance policy fixes to the tax code, criminal and legal system, and reducing household debt. However, dominant approaches to closing the racial wealth gap typically focus on their impact on individuals and households. For example, the racial wealth gap is measured in terms of how many individuals or households own homes and have diverse assets, but not in terms of quality of life or strength of community-based values. Further, dominant approaches primarily aim to reform current systems—these uphold values and practices of individualism, profit maximization, and perpetuate legacies of racism and settler-colonialism—that were not designed to promote the well-being of BIPOC communities.

For many BIPOC folks, wealth is not just about ownership or socio-economic mobility—it is these and *more than these*. It is about giving and providing enough for all and co-creating futures that will support as many folks as possible. BIPOC communities certainly want access to better incomes, access to wealth building, and a stop to wealth stripping, but many also want to achieve these in ways that replace harmful and extractive systems; many desire new economic systems, values, and sustainable conditions that are equitable and life-affirming for all. Many desire a reimagining of wealth and how it should operate in our society.

Throughout this research process, our understanding of dominant and community-desired approaches has been shaped by visiting with, listening, and sharing the voices of BIPOC leaders working to close the racial wealth gap. During these conversations, it became clear that community-desired approaches are more focused on processes rather than outcomes, which sets them apart from dominant approaches. In other words, community-desired approaches are less about which approaches will get us to the best outcomes, but rather about which process(es) will set the right conditions for the best community-led approaches.

Many [BIPOC communities] desire new economic systems, values, and sustainable conditions that are equitable and life-affirming for all.

It is important to recognize that community-desired approaches, and the processes that will set the conditions for the success of these approaches, can only be made sense of when considered in relation to the intersection of power, context, and narrative. In our discussion, power refers to the institutionalization of a specific worldview that sets strict parameters for who has access to opportunities and who doesn't; context refers to the historic and current structural specificities of inequity and injustice, and how BIPOC communities continue to strive for more just futures; and narrative refers to how BIPOC communities articulate their own stories and visions about wealth. An understanding of power, context, and narrative serves two critical purposes: (1) illustrating the gravity of the racial wealth gap and what BIPOC communities are up against, and (2) framing for community-specific ways of addressing economic injustice and what liberation looks like for different communities.

POWER

The dominant approaches to closing the racial wealth gap presented above have varying degrees of power to (re)shape the wealth building landscape across the country. These approaches are not only bolstered by the power of resources, funding, and social capital, but also by the fundamental power to define wealth. In other words, power is about who gets to decide what is understood as wealth, who has access to wealth, which approaches to wealth building are prioritized and why, how dollars are spent and by whom.

Approaches to closing the wealth gap—and defining the meaning of wealth—that center the perspectives of Black, Indigenous, and Latine communities will often be critical of dominant strategies and definitions. This is because many of the dominant approaches are embedded in, reinforce, and perpetuate the norms, expectations, and values entrenched in whiteness that emerged at the nexus of colonialism, capitalism, and white supremacy. One of the most significant values at the core of whiteness is possessiveness and ownership. The "logics of white possessiveness" (Moreton-Robinson 2015) have been and continue to be entrenched in the very institutions that determine who is included in and excluded from accessing power, resources, and opportunities. Via the logics of white possessiveness, Black lives have been legislated as commodities to own and exchange, or criminalize and punish; sovereign Indigenous nations have been legislated as expendable or in need of being assimilated into whiteness for the purpose of appropriating land; Latine and other non-white groups have been legally relegated to often precarious and ultimately disposable labor, especially through immigration policies.

The institutionalization of white possessive logics has been, and continues to be, the driving injustice that results in outcomes like the racial wealth gap. Many BIPOC communities desire to challenge the power of these logics and to reimagine wealth in ways that affirm their lived experiences, values, and histories. To better understand these desires it is necessary to situate them within community-specific historical and contemporary contexts.

CONTEXT

The U.S. economic system grew up and continues to thrive on the exploitation of BIPOC communities and sovereign Tribal nations; the economic system was not designed to foster their success.

Black people were enslaved to enrich property owners, and the system that profits from their labor continues today in multiple ways, including via the prison-industrial-complex that incarcerates Black people at the highest rates, profits from their imprisonment and labor, and extracts resources from families and communities. Indigenous nations have been, at a large-scale, dispossessed from their land, with all its resources and assets, while settlers (white and non-white) have economically benefitted. Indigenous communities, including urban Native populations, have borne the burden of ensuing cultural disconnection, health inequities, and political disenfranchisement. Latine communities, while having the highest rate of labor participation and doing often difficult work (i.e., agriculture and manufacturing), remain structurally disadvantaged in the workforce largely due to long histories of xenophobic immigration policies and limited paths to citizenship. Constant threats of deportation and family separation serve to reproduce conditions where workers are poorly paid and have little political power to demand changes.

The U.S. economic system continues to prosper through processes of commodification, extraction, and unequal distributions of wealth that negatively impact BIPOC lives, communities, and futures. COVID-19 has further demonstrated the heavy burden that BIPOC communities experience when so much of the economic context is stacked against them. BIPOC communities walk the line of working within U.S. economic systems while desiring—and creating—different, more equitable and life affirming strategies of wealth building and economic justice. Black people—during centuries of enslavement and since the end of the Civil War—have worked tirelessly to build their own economies and forms of self-sufficiency that support and grow their contributions to society, often in the face of racist violence and destruction. Indigenous people continue to organize for self-determination and sovereignty, whether that means finding ways to provide loans and other forms of financial security to residents on reservations (e.g., workarounds for land held in U.S. government trust) or fighting against the further stealing and degradation of their land by corporate and government interests. Latine people, whether first generation or third generation immigrants, share similar histories and experiences of migration. Many have been displaced from their homes often due to U.S. foreign policies that have disrupted and fostered violence in many parts of Latin America. Many arrive in the U.S. seeking opportunities to not only build wealth for themselves, but also for their extended families and larger communities. Understanding the varying contexts in which Black, Indigenous, and Latine communities experience economic injustices *as well as* articulate desires for liberation can tell us a lot about how they envision closing the racial wealth gap.

Lastly, understanding context means considering space. In Oregon, communities of color are often more spread out and less concentrated within specific ethnic enclaves (e.g., Koreatown in Los Angeles, Little Havana in Miami, and Little Ethiopia in Washington D.C.).

These enclaves can foster a sense of belonging, cultural flourishing, and economic mobility. But not all regions have developed culturally-specific spaces. In Portland, for example, majority Black and non-white neighborhoods (e.g., Albina and Mississippi) have suffered large-scale displacement of residents of color due to urban infrastructure (e.g., I-5 freeway through Albina) and gentrification. This means that many communities of color in Portland, and certainly across the rest of the state, are dispersed across many neighborhoods and cities. This is important to understand because centering those most marginalized when addressing the racial wealth gap in Oregon requires processes that bring folks together across large geographies. These processes involve significant time and resources for organizing and outreach across jurisdictions that are led by specific communities. While context can reveal the ways that power operates and is being challenged, how a community tells its own story about wealth and articulates its own desires is the third essential part of understanding community-desired approaches to closing the racial wealth gap.

NARRATIVES

BIPOC communities have different conceptualizations of wealth that often lie outside the logics of white possessiveness. Dominant culture values private ownership of land, housing, and other assets for the main purpose of generating financial gains. However, when a community has been shut out from asset ownership for generations, their immediate priority may be less about acquiring the knowledge and tools to advance in the wealth building game (although this is important) and more about ensuring the survival of their family and community. Several research participants commented on the meaning of survival as relating to an individual “with the financial means to sustain themselves and/or family” and to the longevity of one’s economic security “which is resilient to adversity.” One participant also stated that “Most in our community are one emergency away from financial disaster including eviction, job loss, bankruptcy, or foreclosure...The daily stress of living paycheck to paycheck has a significant toll on health, relationships, and mental health...Yes, the Black community in Portland is resilient, but wouldn’t it be great if it didn’t have to be this way?”

For BIPOC communities, wealth building is a non-starter without the requisite support and resources needed for survival. Once the conditions are set so that families are not one emergency away from ruin, community perspectives of wealth include having access to opportunities that allow them and their families to thrive. When community members are able to focus on things beyond their survival, they can accumulate “assets to sustain and support production and [a] happy life.” Owning assets like a home “is a major source of stability, financing secondary education, and building inter-generational wealth. Homeownership becomes a catalyst that makes everything else possible.”

Lastly, understanding narratives of wealth helps contextualize community approaches and situate them in relation to or outside of dominant constructions of power. Different communities have specific strategies to address the wealth gap that are based on their own access to power and their particular contexts.

These strategies may not be exclusive to one group but are reflective of the current experiences and needs of the community. When community members are able to accumulate enough resources to thrive, they are able to provide for future generations. This often goes beyond families, and BIPOC individuals invest in broader community members' wealth building. BIPOC representation within wealth building ensures “self-determination or confidence” in others.

In the next sections, we present findings from surveys and interviews that synthesize the specificities of power, context, and narratives for three communities—Black, Indigenous, and Latine. We recognize that these categories are insufficient for capturing the plurality of experiences that emerge from differing ethnicities, migration histories and immigration statuses, tribal affiliations, and patterns of regional habitation and settlement (urban, suburban, rural). The three community-specific profiles of wealth presented below are a synthesis and contextualization of qualitative data gleaned from surveys and interviews during this research process.

Black Communities

Black participants expressed a strong need for strategies “by Black people for Black people.” If dominant institutions want to fund these strategies, they need to understand that Black folks have the answers. Institutions must trust community members and let them decide how and where resources are to be invested to realize their goals. This requires shifting power and channeling resources to those with lived experiences of their community's needs and desires.

The need to support Black self-determination is particularly critical when placed in a context where Black lives and Black successes are systemically devalued and destroyed in this country. The legacies of enslavement and the continued impact of segregation and anti-Blackness shape the dominant consciousness about the place of Black people in society. Black people are criminalized, and their lives are reduced to bodies deemed extractable or disposable. The prison industrial complex is but one example of these processes of continued disenfranchisement. All these methods strategically target Black communities and profit off of their lives and contributions. Furthermore, stoking fear about Black success and autonomy has been a method of wielding power over and influencing non-elite white populations to retaliate in order to maintain white supremacy. This practice is often referred to as a “zero-sum game” (McGee 2021), which presumes that Black success will necessarily lead to less social, economic, and political gains for white people. The zero-sum game is a pillar of white supremacy ideology and contributes to the prevention and destruction of Black success. The U.S. has a long history of strategically and violently suppressing Black advancement, from the backlash against post-Civil War Reconstruction to the destruction of economically autonomous communities including Black Wall Street in Oklahoma, Rosewood in Florida, and Seneca Village in New York.

White mobs have been responsible for this trail of destruction, emboldened by false narratives about the perceived threat of Black success. In addition, institutions are equally culpable for creating barriers for Black success, and Black communities harbor distrust of white dominant institutions, which have harmed them time again. During the community vetting session, one participant reflected on the distrust of banks, stating that even CDFIs that serve Black communities have not been found to help Black folks because they still operate within the dominant banking system and rely on known biased tools like credit check systems.

Not only is there a deep distrust of institutions, but the systemic exclusion from wealth building manifests in a deeply experienced lack of confidence. One interview participant noted, “If you have never seen someone start a business you are at a little bit of a deficit when starting one of your own...In our community, because of a lack of trust or fear in general, one little hiccup can often deter them, period.” Without a thorough understanding of the context in which sentiments like this are experienced, dominant narratives—repeated by media and other white dominant institutions (e.g. academia, nonprofits, governments)—tend to frame Black communities as having inherent deficits, such as the long-standing stereotype of being “lazy” and therefore inherently unproductive. These dominant narratives presume that wealth building is largely out of reach for Black communities. Another Black participant said, “What our country has been very successful at is discouraging us from going along those lines of entrepreneurism and independence and becoming dependent upon a ‘job.’ I don't have anything against the job, but there's truly no real liberation and freedom economically.”

Black communities have created wealth and success before, but due to the many wealth stripping policies and institutions, major barriers prevent wealth accumulation. One participant noted, “Blacks have been strong budgeters and hard workers and have shown a resilience to economic injustices that have promised to reduce the wealth gap once the systemic barriers are intentionally lifted.” Another participant stated that “Black communities need to be stabilized and become sustainable. We need to normalize building economies from the ground up so that community members own their communities.”

To realize these desires for economic autonomy and what one participant called “the democratization of economies,” decision-making spaces need far greater Black representation. Further, significant support and investment is needed for Black-led wealth building efforts. Investing in Black-led wealth building will look different across the country. In Portland, for instance, due to decades of gentrification and displacement, the Black community is less concentrated in certain neighborhoods and Black businesses are less visible; it is, therefore, difficult to “see” Black success in Portland. According to one interviewee, who referenced a historically Black neighborhood that has undergone gentrification: “We want to get back to Albina, where every business is owned by a minority.” Philanthropy and other institutions must invest in Black community success by deferring power and directing resources to Black leaders in ways that ensure autonomy over how wealth is built in Black communities.

Indigenous Communities

Many Indigenous conceptions of wealth differ considerably from dominant understandings. Colonization and the creation of institutions and laws to support white settler interests have forcibly stripped land and wealth from Indigenous nations and created narrow legal definitions of wealth in terms of financial assets and private ownership. We recognize it would be irresponsible and historically negligent to assume the existence of a universal Indigenous perspective on wealth. Many Indigenous people live, work, and do wealth planning as do U.S. Americans subscribing to the dominant culture—realities that are shaped by legacies of genocide and assimilation, widespread poverty, and personal choice. However, it is equally important to recognize how dominant understandings of wealth are often misaligned with various Indigenous worldviews. Interview participants explained that Indigenous wealth is "centered around health; if you are a healthy individual and are able to take care of other generations you are considered wealthy." Likewise, "if you are able to give—gifts or time—that is considered wealth." Wealth is understood more as building and sustaining relationships rather than accumulating assets that carry monetary value. Another participant shared that "wealth building is about transferring security and belonging...and even ideals of entrepreneurship are not based on the success of Elon Musk, but rather on the success of a grandfather tending to buffalo herds."

Participants expressed that economic justice is not about adopting the ways and means of white settler logics—which are the very modes of power hoarding and resource extraction that created the conditions for genocide and cultural and political erasure. Instead, economic justice for Indigenous communities and nations is about having community security and stability that can be passed down through generations. The primary obstacle to realizing economic justice continues to lie with the colonial laws and institutions upheld by the U.S. government. On reservation land, Indigenous families face obstacles getting a mortgage because their land is held in trust by the U.S. federal government. Due to this policy, financial institutions do not value reservation land as "capital," thus families living on reservations are often rejected from lending agreements. These structural barriers lead to false narratives that blame individual Indigenous people for being unable to "bootstrap" their way out of poverty.

Despite these policies, Indigenous-led institutions such as Community Development Financial Institutions (CDFI), Native Chambers of Commerce, and Indigenous-serving foundations have developed strategies to build wealth among Indigenous communities and create regenerative economies. CDFIs that operate on reservation lands act as crucial intermediaries between Indigenous nations and the federal government, especially by finding mechanisms to provide mortgages and other loan opportunities for community members.

Further, leveraging resources like the Indian Housing Block Grant Program should also be considered as support for urban Native populations. Investing in these community-based institutions can ensure that communities stabilize and thrive, despite major structural barriers, and organize to reimagine goals towards regenerative economies. However, to truly close the wealth gap and realize Indigenous-led and community-centered wealth building, policy shifts, and the removal of institutional barriers must occur, especially related to the status of reservation lands.

Latine Communities

Latine community strategies for wealth building are driven by the need to stabilize, sustain, and build from already existing cultural wealth—similar to Black and Indigenous communities. Interview participants reiterated that wealth in their communities looks like "meeting basic needs, having purpose, building relationships and passing down stories and knowledge." Several participants reflected on the role of working hard to provide for family and community as an important part of sustaining everyday life and building wealth. When understanding narratives of wealth among Latine communities, it is necessary to consider the wide diversity of perspectives based on different ethnicities, migration histories, generational experiences, documentation status, and economic realities that are often flattened within this one broad identity category. For instance, a participant explained that in microcosms like Woodburn, Oregon "there are people who have arrived [immigrated] today and there are [Latine] people who live on golf courses."

Latine community members and their various cultural strengths are continually undervalued and overlooked by institutions in Oregon. For instance, the Latine community and especially Indigenous communities have a strong connection to the land because of their generational knowledge about agriculture; yet, in the Willamette Valley "the farm workers are food insecure where everything grows." Beyond agriculture, Latine community members are working in construction and service sectors that offer little to no financial security or economic mobility. Working these jobs takes a toll on many Latine individuals' health because they are exposed to outdoor elements, hard labor, pesticides, and they are offered few workplace protections. These injustices exacerbate health inequities, which have been amplified during the pandemic. In addition, workplaces, especially those with high concentrations of Latine employees, have been and continue to be targets of immigration raids that result in entanglements in the criminal and legal system, deportation, and family separation. One participant commented that so much of Oregon's wealth has been built off the labor of Latine community members: "We worked generations, and made you, your family, and Oregon wealthy, how about you focus on building wealth among your workers?"

The lack of Latine representation in other job sectors, especially in leadership positions, and the prevalence of workplace discrimination are identified as significant barriers to wealth building. One interview participant shared that “Until we have representation vertically, and equitable investments in our community, it will be really hard to build wealth in an equitable way.” Although the Latine population is the fastest growing in Oregon, they have been continually shut out of wealth building for generations. One participant noted, “When a whole community has been in generational poverty it is hard to imagine the resources that can help you.”

Additionally, wealth building resources are often not accommodating for Latine community members' needs and values. Whether it is because services and information are not offered in other languages, or are only relevant to certain sectors (e.g., business), Latine community members are not receiving the kind of culturally and linguistically specific support they need in order to build wealth. This is a distinct disadvantage when compared to white communities that often have generations-long knowledge, experience, and access to resources regarding investing, property ownership, starting businesses, and other wealth building pathways. Funding of equitable opportunities has been largely left to community-based organizations and community leaders. Due to insufficient resources to fulfill a growing community need, Latine-serving organizations, like many other culturally specific CBOs, are continuously in survival mode—using funding and resources to meet immediate community needs. According to one interview participant: “We are constantly reacting; we haven’t had space to think creatively [about building wealth in the community].”

Effective cultural strategies for wealth building have offered services that address financial education and survival needs for the whole individual, the whole family, and the whole community. There needs to be more space, time, and money for organizations already serving the community to strategize about how to use cultural assets to build wealth. These strategies need to be led by Latine community members. Public and private sectors need to make investments oriented at supporting the self-determination of Latine communities.

2.3

COMMUNITY-IDENTIFIED PROCESSES

In this section we outline specific examples of community-identified processes. Community members who participated in our community data vetting session established three processes critical to ensuring community approaches to addressing the racial wealth gap: Providing funding and deferring to community; partnering with and delegating power to community; consulting with community and handling institutional inequities accordingly. These processes require development and implementation in three broad and partly overlapping approaches: culturally specific, cross-culturally, and dominant institution-led. Unlike the previous section, which prioritized dominant approaches, this section takes a step back to identify processes that are fundamental for the conditions needed to achieve successful approaches. Below, we explain the processes and approaches as defined via our engagements with community members .

Centering those most marginalized in economic decision-making means that all Oregonians will have a fairer and more sustainable future. Population research estimates that the U.S. will be majority non-white by 2050 (Frey 2018), and racial wealth gap research explains that the U.S. could lose up to 1 trillion dollars over the next 20 years in economic growth if the racial wealth gap is not addressed (Noel et al. 2019). Thus the U.S. and Oregon need promising approaches to closing the gap, but these also need to be led by BIPOC communities to ensure sustainable systems change.

Population research estimates that the United States will be non-white-dominated by 2050, and racial wealth gap research explains that the U.S. could lose up to 1 trillion dollars over the next 20 years in economic growth if the racial wealth gap is not addressed.

PROVIDE FUNDING & DEFER TO COMMUNITY

Approach: Culturally specific (primary) & Cross-cultural (secondary)

Processes: Generally requires funding with little oversight and deliverable expectation; flexible funds allow communities to establish how to set the conditions for economic justice

A **culturally specific** approach is when a specific cultural group defines and enacts culturally relevant frameworks, histories, strategies, and services that are meaningful for that specific group. Culturally specific approaches require processes that defer to those closest to the cultural group and fund strategies that will have cultural relevance, meaning, and long-term impact. For instance, funding a cooperative housing model for closing the racial wealth gap must be informed by different culturally specific needs and desires. A cooperative housing model will need to address the culturally specific barriers experienced by Black, Indigenous, and Latine folks; it will need to be designed to support and promote culturally specific notions of family, household, well-being, etc. While culturally specific is critical for centering historically marginalized populations, some of these efforts can often be amplified with a cross-cultural approach.

EXAMPLES

- Defining community cultural wealth (what we have now)
- Defining & reimagining wealth (what we would like to see—e.g., regenerative economies)
- Peer-to-peer networking/mentorship (e.g., small business)
- Financial system navigators
- Defining and building an entrepreneurial training and abundance mindset
- Direct organizing for community wealth building and advocacy
- Unrestricted/flexible CBO funding to stabilize, think, and strategize
- Emotional and technical support towards building culturally centered values around "success" and "wealth"
- Reimagining the meaning of transferable assets
- Free high growth capital—no interest, no fee, no caveats
- Culturally specific CBO and grassroots power in foundation spaces
- Community organizing and advocacy that is intersectional: race/ethnicity, gender, sexuality, documentation status, etc.
- Land Back/ownership (example)
- Community-led research and data collection
- Worker co-ops featuring integrated housing, culture keeping, and community wealth-building programs
- Linguistic accessibility and cultural relevancy (e.g., housing/homeownership)

PARTNER WITH & DELEGATE POWER TO COMMUNITY

Approach: Cross-cultural (primary) & Culturally specific (secondary)

Processes: Generally requires more support and leadership from dominant institutions, continues to center community, but has more defined deliverables

A **cross-cultural** approach is when different cultural groups with overlapping experiences of oppression build upon culturally specific approaches to meet the needs and desires of various communities. Cross-cultural approaches require processes that center communities needs and desires while also partnering with dominant institutions. The Coalition of Communities of Color is an example of how culturally specific community-based organizations can make significant advances when aligning efforts to around advocacy, leadership development, environmental justice, and research to support BIPOC communities. Organizing across cultures and building cross-cultural power is especially valuable in the context of Oregon, where communities of color are geographically more dispersed and where culturally specific neighborhoods are less densely concentrated. While cross-cultural work can amplify the goals of various historically marginalized communities, it cannot, nor should it be relied on to solve all of our social problems. Some efforts require dominant institutions to lead certain aspects of the work to close the racial wealth gap.

EXAMPLES

- Worker rights education (e.g., farmworkers)
- Larger investments (financially and programmatically)
- Leadership development
- Grant writing skills
- State-wide coalition building
- Community land trust model
- Resource decision making power
- College and training scholarships (e.g., focus on low-income earners)
- Targeted guaranteed income pilots
- BIPOC coalition power in foundation space
- Community leaders define and create community solutions
- Organizational accountability in racial wealth gap work
- Funding for baseline data on the racial wealth gap today by geography, community, age, and education, etc.
- Rental to homeownership programs
- Community defined metrics to address the racial wealth gap
- Addressing the digital divide, digital literacy (e.g., small business), and digital advocacy (e.g., homeownership)

CONSULT COMMUNITY & HANDLE INSTIUTIONAL INEQUITIES ACCORDINGLY

Approach: Dominant Institution led (primary) & Culturally specific (secondary)

Processes: Generally requires dominant institutions to handle their inequities by paying for consultation with community but doing the bulk of the labor to free up community capacity

A **dominant institution-led** approach is when those institutions with power and access to resources (e.g., governments, universities, businesses, philanthropy) address systemic inequities. These institutions are predominantly white institutions in terms of organizational body, structure, culture, and goals, and are part of systems that have historically failed many BIL communities. They tend to institutionalize white supremacy culture, and on their own, they are unfit to lead systems change. Instead dominant-led approaches require processes for addressing their own institutional inequities and injustices with guidance from the community. This typically begins by being transparent about inequitable practices, making a plan to address past harms and prevent future harms to communities of color, and formalizing an accountability process.

EXAMPLES

- BIPOC representation in dominant sectors of wealth-building (e.g., appraisals, real estate agents, government procurement/vendor contracting, education, foundation boards)
- Measuring risk based on social impact (defined by the community) and not other dominant measures
- Changing underwriting rules
- Using data and maps to identify and track racial covenant language in housing real estate deeds
- Movement building within foundation spaces
- Identifying and combating “everyday” forms of wealth stripping (e.g., legal system fines/fees, traffic and toll fees, punitive steps towards losing SNAP)
- Community-led narrative change about racial wealth gap that centers power and structural barriers; work with dominant institutions to change the media/public narrative
- Center CBO data/community stories when communicating about the racial wealth gap; decenter national/mainstream data that pool large groups/demographics into categories that are not representative and lead to stereotypes
- Transparency of internal metrics/outcome goals and how the impact is measured/assessed to hold dominant institutions accountable

INSTITUTIONAL BETRAYAL & MAINTAINING THE RACIAL WEALTH GAP

3.0

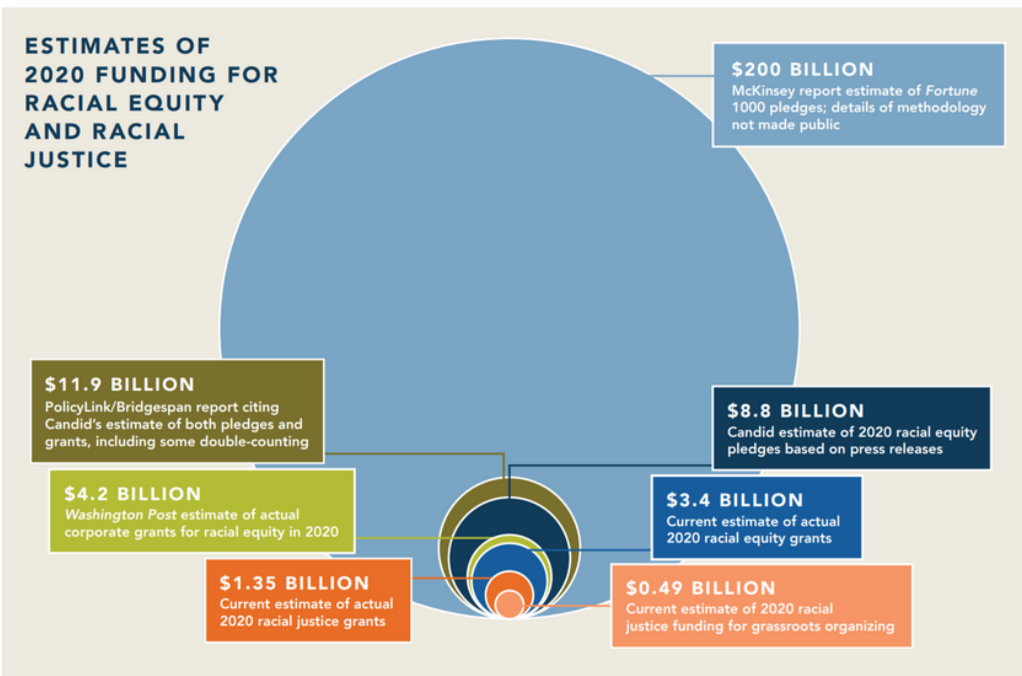
This report has illustrated the many ways that systems have created and continue to shape the racial wealth gap. In addition, institutions remain complicit in the persistence of the racial wealth gap through their institutional betrayal, enacted by philanthropy, government, major financial institutions, and a political class supported by those holding extreme wealth. The term “institutional betrayal” was coined by Jennifer Freyd to describe how institutional inaction can intensify the trauma experienced by survivors of domestic violence when the institutions they interact with fail them (Smith & Freyd 2014).

In regards to BIPOC communities and wealth, institutional betrayal goes a step further; not only are BIPOC communities betrayed by institutions' inaction in addressing the wealth gap, but those same institutions continue to support and promote intentional mechanisms of exclusion (e.g. tax credits for the wealthy) and predatory mechanisms of disenfranchisement (e.g. subprime lending). Institutional support of wealth stripping is not new; Black peoples' experience with financial institutions has been particularly devastating. During Reconstruction (1863-1877), the Freedmen’s Savings Bank was one of the only mechanisms available for Black people to build wealth and it became a trusted government financial institution. The Bank was solely a savings bank and not a lending bank. In just ten years, the bank had $75 million in deposits made by 75,000 depositors (Baradaran 2017). However, the management of the bank was controlled by white men with powerful ties to the financial world. With so much capital sitting idle in the bank, the trustees and management leveraged these funds for risky speculative investments. Propaganda campaigns continued to urge Black savers to put their money in the bank. The bank eventually failed due to these risky investments and “more than half of accumulated [B]lack wealth disappeared through the mismanagement of the Freedmen’s Savings Bank” (Baradaran 2017:30). ***The loss of Black wealth due to this one instance of institutional betrayal is equivalent in today's purchasing power to just under $1 Billion***. This failure not only resulted in economic ruin for thousands of Black households, but eroded or flat out ended any trust that Black communities had in the government.

Continuous betrayal breeds a tremendous amount of distrust in institutions by BIPOC community members. This distrust is warranted, as time and time again institutions have sacrificed the wellbeing of people of color for their own monetary and political profit, and prioritized their own agendas and solutions.

When it comes to philanthropy's betrayal of BIPOC communities, there is a much needed discussion to be had about priorities, internal decision-making processes, and representation. For instance, during and after the 2020 uprisings for racial justice following the murder of George Floyd, it was presumed that funding significantly increased for racial equity and racial justice organizations and movement building efforts. However, as of summer 2021, "more than $8.8 billion in pledges [were made] for racial equity work in 2020, but only about $3.4 billion in actual grants [were] awarded by foundations and corporations (Cyril et al. 2021:6)." This kind of dominant narrative convinces funders that racial equity and racial justice work is well-funded and that future funding can remain stagnant or even be reduced. Figure 15 shows how exaggerated estimates have been for 2020 funding of racial equity and racial justice work.

Figure 15. Estimates of 2020 Funding for Racial Equity and Racial Justice



Mismatched: Philanthropy's Response to the Call for Racial Justice. 2021. URL: https://racialequity.org/mismatched/

In addition, critics of philanthropy have noted that those who are funding, on boards, and making decisions at foundations are majority white. Among U.S. foundations, 90% of board members are white (McCormick 2021). With this lack of representation, grantmaking also tends to support majority white organizations, as very few grants (8%) actually go to communities of color and even less fund (1%) Indigenous communities (Villanueva 2019). Furthermore, funding decisions are often made based on assessments of risk. Communities of color are seen as "risky" investments.

This creates a context whereby BIPOC communities have to prove that they are worthy of investment by, for instance, attending classes and training on financial literacy. Further, requirements to provide certain documentation serves to exclude many community members from accessing the funding they need. Rather than relying on racist assumptions of “risk,” which keeps BIPOC communities economically disadvantaged, significant amounts of preferably unrestricted or flexible capital needs to be moved into communities of color and more direct funding needs to be accessible to Black, Indigenous, and Latine communities.

We have seen the effect of foundations not doing this; two decades ago the Ford Foundation set out to tackle the racial wealth gap and increase economic prosperity among low-income people of color. The strategies used included: asset building by offering saving incentives for low-income families; increasing access to saving accounts through advocacy and forming coalitions to encourage policymakers to enact change; encouraging BIPOC scholars and practitioners to research the mechanisms of the racial wealth gap and supporting their research. The Ford Foundation's most successful outcome was building a cohort of scholars and practitioners to do research. However, an evaluation of these programs found that **Ford's strategies failed to reduce the racial wealth gap. The reason was because the Ford Foundation did not put effort into removing the structural barriers that caused the racial wealth gap and instead focused on individual skill building.** Lastly, the Ford Foundation's efforts showcased that in order to enact these structural changes, policy makers need to be engaged and on board as well (Flynn and Rakeen 2019). Policy has been a tool for growing the racial wealth gap, and in many ways policy is the key to closing it. However, a lack of representation among federal and local policy-makers and legislators creates more obstacles for addressing the racial wealth gap (Schaeffer 2021). When the faces of power look less like members of your community, the direct consequences are often manifest in lower participation by BIPOC individuals in advocacy and policy work.

Strides are being made to ensure more BIPOC participation in policy-making spaces. In Oregon, a BIPOC caucus is working to increase racial equity across the state. Additionally, there are organizations like the CAPACES Leadership Institute that are encouraging and building capacity among BIPOC Oregonians interested in municipal leadership (Mapes 2021). While this is a vital step in addressing the racial wealth gap by changing the policies that cause the gap to widen, it is a slow strategy for change. We cannot just rely on more BIPOC representation in government to expunge the nation's and Oregon’s legacies of racist policies and practices. For instance, the regressive nature of the state tax code and the vast majority of tax expenditures benefit the wealthy and disproportionately exclude people of color. What is promising is that ballot measures looking to make it more difficult to raise taxes were recently vetoed by voters in 2018 (Measure 104). BIPOC municipal leadership is an important strategy in reducing the wealth gap, but in order to accomplish this we have to address barriers in wealth accumulation in multiple sectors with community members leading the way.

RECOMMENDATIONS FOR INVESTING IN WEALTH BUILDING

4.0

The following recommendations are meant to provide philanthropic organizations and other stakeholders with guidance on investing funds towards closing the racial wealth gap. We carefully selected these recommendations based on our conversations and engagements with community members and leaders via interviews, surveys, and the community data vetting event that we hosted. It is important to note that many of the recommendations presented here reflect dominant strategies for closing the racial wealth gap; we have included them here because they are both meaningful to and desired by Black, Indigenous, and Latine (BIL) communities.

The first four recommendations include specific priorities and strategies that need to be funded for closing the racial wealth gap:

- Capacity building and setting the conditions for economic justice
- Expanding and supporting asset-based wealth-building strategies
- Advocating for economic stability and countering wealth stripping
- Expanded data collection defined and led by BIL communities

The final two recommendations are directed at philanthropic organizations. These are considerations and changes that philanthropy can implement to ensure that equity and a “leading with race” framework is centered throughout decision-making.

Ultimately, these recommendations provide insight into investment areas that will enable BIL communities to develop, lead, and implement culturally specific and cross-cultural strategies and allow philanthropy to play a leading role in channeling resources to areas needing the most significant support.

1 Capacity building and setting the conditions for economic justice

- Unrestricted funding for BIL-led and -serving CBOs and coalitions for:
    - Programs that stabilize BIL communities by meeting communities' immediate needs. Examples: Oregon Worker Relief Fund & First-time homebuyer assistance (e.g., Minority Homeownership Assistance Collaborative)
    - CBOs and programs that work with and center trans and queer BIL Oregonians to provide housing, health care, safety, and legal and employment services. Trans and queer BIL Oregonians experience some of the highest barriers to economic justice and holistic, supportive programs and services must be funded.
    - Culturally specific and cross-cultural strategic planning for addressing the racial wealth gap with minimal requirements for demonstrating "impact" or submitting deliverables—just time and space for like minded folks to build relationships and plan future collaboration.
    - Rapid response to emergencies
- No/low-cost culturally specific technical assistance
    - Entrepreneurial training that connects individual needs with community needs
    - Peer mentorship programs for startup BIL businesses
    - Grant-writing training for BIL-led and -serving CBOs and coalitions
    - Digital and technology training
    - Advocacy and lobbying training, especially for youth of color (c3 & c4)
    - No- or low-cost financial planning and literacy services that are culturally specific/responsive
- Supporting BIL-led narrative change about wealth, including funds for:
    - Convening conference/workshop/networking events on redefining and reimagining wealth for Black, Indigenous, and Latinx communities in Oregon"
    - Gathering, packaging, and disseminating BIL community stories about their own experiences of wealth disparities and their own understandings of and visions for wealth building in culturally and linguistically specific ways.
    - Communications and awareness-building about the racial wealth gap that includes countering harmful narratives about, for instance, inequities being a reflection of individual failure and economic systems and policies being "race-neutral" or "color blind."

2 Expanding and supporting asset-based wealth building strategies

- Housing—Funds to support access to stable housing including:
    - Community land trusts
    - Cooperative housing that include culturally specific wraparound services
    - Alternatives to dominant lending institutions. Examples:
        - Hacienda CDC's Lending Circles
        - CDFIs that offer low barrier pathways to access credit (e.g. non-traditional collateral, low/no reliance on mainstream credit scoring algorithms)
        - Development of financial institutions (e.g., banks) that operate in non-traditional ways and created and led by BIL Oregonians
    - Grassroots anti-displacement organizing. Example: Imagine Black Anti-Displacement Coalition
- Land—Funds for land acquisition and supportive infrastructure for a range of community-led and culturally specific projects including: affordable housing, farming and food sovereignty, expanded operational space for CBOs.
- Business—Supporting and visibilizing culturally and community specific business incubators that provide holistic services, including:
    - Seed funding and minority loans
    - Technical assistance (e.g., business plan development; grant identification, writing and application submission support; digital and technical support; marketing; taxes and payroll; legal services; online business support)
    - Networking opportunities
    - Capital growth strategies, particularly in the context of racist credit scoring and loan approval systems and mistrust of banks
- Savings—Funds to match savings programs that focus on BIPOC clients (e.g., Oregon's Individual Development Account [IDA] program)
- Education—Low barrier scholarships for BIL youth and adults to attend college

3 Advocating for policies that ensure economic stability and counter wealth stripping

Policies play a foundational role in either growing the racial wealth gap or closing it. Findings from the Ford Foundation program evaluation (discussed in section 3.0) are clear: without removing structural barriers, often in place because of policies, and without engaging policy-makers and community-based organizers, the racial wealth gap will persist. While investing in ***racial equity*** ("prevention of harm and the redistribution of benefits within existing systems" [Mismatched 2021:27]) is needed, it is not sufficient. Significant investments must be made towards ***racial justice*** (emphasizes "transformative solutions that impact multiple systems" [ibid:5] and power building "among disenfranchised people to change the fundamental rules of society" [ibid:27-28]). The following policy areas and issues were identified and prioritized by community members, and include policies for both racial equity and racial justice.

- Tax code reform
  - Mortgage Interest Deduction
  - Oregon kicker rebates
  - Evaluate and address Tax Assessor bias
  - Transparency of IRS audits
  - True progressive tax code in Oregon
    - Income, property, and excise tax relief for lower income earners
    - Expansion of earned income tax credit, child tax credit, and estate tax
    - Challenging supermajority requirements in taxation
    - Loosening limitations on raising property taxes
- Oregon investment in “baby bonds”
- Equitable standardization of home appraisals in Oregon
- Guaranteed basic income (e.g., direct cash transfer models)
- Consumer financial protections and regulations on pay-day and predatory lending
- Criminal and legal system reform
  - Immediate need for eliminating cash bail and other fines/fees that are disproportionately extracted from communities of color
- Long term need for supporting abolitionist movements that reimagine community safety and alternatives to the prison-industrial complex
- Student debt relief/cancellation
- Workplace/worker/union organizing for wage and benefits equity
- Free community college/public university
- Immigration reform/path to citizenship
- Reparations
- Land Back

4 Expanded data collection strategies defined and led by community

A plethora of national data exists about the racial wealth gap that primarily draws from large quantitative national datasets. However, statewide quantitative data is far less available and what exists is insufficient for a full understanding of the gap across different racial and ethnic populations and sectors. In addition, there are nearly no local or regional qualitative data centering on those most impacted by the racial wealth gap. More investment is needed for collecting primary quantitative and qualitative data —baseline and longitudinal—with regional and community specificity that captures intersectional experiences. Areas that need more research and data include:

- Identifying and combating "everyday" forms wealth stripping and their material implications for BIL communities
- Understanding rural experiences of wealth building, economic stability, and wealth stripping
- Program evaluations of CBO-led strategies for closing the racial wealth gap
- Community-based narratives of wealth
- Community-led cross-cultural and cross-sector strategy to capture already available quantitative data and help key stakeholders to shift data practices to collect more meaningful data

The final two recommendations are considerations and changes that philanthropic organizations can implement to ensure that equity and a "leading with race" framework is centered throughout decision-making.

5 Updating internal organizational processes and structures to better serve BIL communities

Dominant and well-resourced institutions must look internally to understand, improve, change or potentially eliminate organizational processes and structures that may hinder or harm efforts to close the racial wealth gap. Below are examples of actions that can be taken by philanthropy:

- Create and visibilize a shared set of definitions, values, and actions that demonstrates organizational understanding and commitment to addressing the racial wealth gap. This will require funding CBOs and current grantees to guide this work. For instance:
    - Adopt a formal definition of the racial wealth gap that names racism and challenges false narratives.
    - Practice radical reflexivity and acknowledge the ways that philanthropy has been and continues to be complicit in wealth inequities.
    - Invest beyond minimum requirements for charitable giving and intentionally allocate a proportion to addressing the racial wealth gap
    - Create opportunities for allies connected to the organization to learn about the racial wealth gap and ways to support strategies for mitigation.
- Decision-making must be participatory and transparent. For instance;
    - Publicly disclose data on funding efforts towards closing the racial wealth gap.
    - Collaborate with BIL community leaders and members to co-create the grantmaking process, from co-constructing Requests for Proposals to participatory budgeting to co-developing culturally appropriate program assessments and impact measurements.
- Hire, retain, and promote Black, Indigenous, and Latine folks and other people of color within the organization and at leadership levels (including Board members).

6 Filter decisions through a Racial Wealth Gap Equity Tool

When deciding to fund dominant or community-desired approaches for closing the racial wealth gap, philanthropic organizations can use the following set of questions to hold themselves accountable for their decision-making and to ensure that equity is centered throughout.

- Who is making the decisions to fund this strategy?
- Who is not at the decision-making table but should be?
- What, if any, spending requirements are attached to the grant? Why do those requirements exist? To what extent can those requirements be minimized or removed?
- In adopting this strategy, how are BIPOC communities centered? What internal and external supports can be provided and committed to throughout the grantmaking process? In other words, how can philanthropic and other institutional networks be leveraged to build support for strategies to close the racial wealth gap?
- How can this strategy be tailored to cultural, linguistic, and geographic diversities?
- How does this funding decision align with the organization's shared definitions and values about the racial wealth gap?
- To what extent will the community define the success of the project? How will that process be supported and outcomes shared widely?

We want to recognize that many dominant institutions have adopted racial equity tools for organizational change work and for developing more equitable and just relationships with constituents—especially communities of color that are often silenced, ignored, or tokenized in decision-making. In particular, we want to acknowledge Multnomah County's "Equity and Empowerment Lens" as a comprehensive example of how dominant institutions can instill processes towards improved "planning, decision-making, and resource allocation leading to more racially equitable policies and programs."

APPENDIX A

LITERATURE REVIEW: RACIAL WEALTH GAP IN OREGON AND BEYOND

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1.0 RACIAL WEALTH GAP IN OREGON & BEYOND

The racial wealth gap is defined by the extreme variations of wealth possessed by households in the United States. These variations in wealth are, more than any other factor, dictated by race. Wealth accounts for inheritances and assets owned after subtracting any debt owed by the individual or household.[1] Rather than examining income alone to evaluate economic wellbeing in various communities, wealth takes into account the privileges and disadvantages accumulated over generations that inform a person's and community's wealth today. Some factors that contribute to the racial wealth gap are racialized disparities in access to homeownership, capital and banks, higher-paying jobs and income, education, and the accumulation of debt. These racialized disparities are outcomes of the ongoing legacy of racist laws, policies, and practices, like redlining, blockbusting, racial covenants, land theft and broken treaties, inequitable tax codes, racialized policing and incarceration, draconian immigration laws, and many other forms of racial segregation, isoloation, and exclusion. These continued disparities are also an outcome of what we call "institutional betrayal" by governments, businesses, foundations, and academia that misidentify priorities or fail to act in meaningful ways to support of racial justice.[2] These systemic inequities that perpetuate the racial wealth gap all result in the divestment from communities of color. The major tenant of the racial wealth gap is that its causes are not rooted in individual or behavioral failing, but instead originates and is maintained by systems and institutions that perpetuate racism. The following literature review demonstrates this by detailing the economic realities of communities of color that illuminate the historical and current systemic contributors to the racial wealth gap.

This review begins with some considerations about racial categories and their insufficiencies, as well as a brief note about why we use the term "Latine." The bulk of the review focuses on understanding the racial wealth gap in terms of where we are now, how we got to this point, and other contributors to the racial wealth gap beyond ownership of assets. These three sections use research and data to explain the connection between the histories and current realities of the racial wealth gap for Black, Indigenous, and Latine groups in the U.S. and Oregon. Throughout this literature review, there is also mention of how COVID19 and other crises impact the racial wealth gap. The review ends with a discussion on institutional betrayal and how this reality affects BIPOC folks and those interested in closing the racial wealth gap.

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[1] While the mainstream definition of wealth is the monetary value of assets minus liabilities, we recognize that different communities conceptualize wealth in ways beyond financial value. We discuss different and often culturally-informed conceptions of wealth in section 2.2 and 2.3 of the report.
[2] We discuss institutional betrayal in more detail in section 6.0 of the report.

2.0 NOTES ON RACIAL CATEGORIES AND LANGUAGE

The racial categorization of human diversity has always been fraught. Its very existence has been shaped by social, political, and economic needs at different moments throughout history. It is accepted that race is a social construct and, in the U.S. context, race is primarily understood within a Black-white binary. This means that power is derived by proximity to whiteness while disenfranchisement is derived by proximity to Blackness (Hartman 2016). Indigenous communities have been the targets of genocide, as colonization in the United States is based on, first, their extermination for land, and when that was not achieved in totality, policies for assimilation into whiteness (boarding and residential schools, now referred to as “assimilation schools”) or institutional neglect of reservations. Other groups who migrated or immigrated to the U.S. were either eventually accepted into whiteness (e.g., Italians, Irish, Eastern Europeans) or racialized as “non-white” and therefore lesser. How various groups have been racialized, and their proximity to whiteness, strongly relates to whether they have had access or been denied access to the financial assets that build wealth.

This research and literature review focuses on understanding what the racial wealth gap looks like from the perspective of Black, Indigenous, and Latine (BIL) populations in the United States and Oregon. Throughout the literature review, we will use the following abbreviated language: BIL (Black, Indigenous, Latine), BIPOC (Black, Indigenous and People Of Color), and communities of color. We recognize that some racial minority groups may not use generalizing terms like BIPOC or communities of color. Although the groups subsumed under BIL or BIPOC have vastly different cultures, struggles, and roads to liberation, they share similar experiences and ramifications with white supremacy. In the report, we categorize some approaches to closing the racial wealth gap as culturally specific to Black, Indigenous, and Latine communities while other approaches require cross-cultural mobilizing, which is when aggregate terms like BIL or BIPOC become useful.

We recognize that data clearly demonstrates that BIL households experience the most significant disparities in terms of wealth. However, we also acknowledge many other communities of color have similar economic experiences, including communities lumped together as Asian/Asian American. They are often excluded from racial wealth gap research due to the failure of collecting and analyzing regionally specific disaggregated data on different Asian communities. For example, using Los Angeles as a case study, lumping together higher median wealth Japanese and Indian households—$592,000 and $460,000, respectively—with low median wealth Korean and Vietnamese households—$23,400 and $61,500, respectively—creates severe impediments to crafting policies and programs that address these highly variable and differential experiences of immigration, citizenship, labor market participation, education, and racialization that exist within the broad category of "Asian" (De La Cruz-Viesca et al. 2016; Asante-Muhammad and Sim 2020). Future funding and resources are needed to study the experiences and realities of different communities that have historically been lumped together as “Asian” but share more similar socioeconomic realities to BIL communities (e.g., Pacific Islander, Cambodian, Filipino, Hmong, and Lao populations). While this report focuses on BIL communities, several data points and accompanying charts and figures include information about Asians in the aggregate.

Finally, we must recognize that contributors to the racial wealth gap, such as varying income levels, can be experienced differently when accounting for intersections of gender, class, ability, sexuality, and nationality in the analysis. For instance, the gender pay gap has been studied in relation to how cis-identified women are paid less on average than cis-identified men. However, the pay gap increases significantly when gender is analyzed in combination with race. Similarly, the gap increases when sexuality, class, ability, nationality, etc is considered with racialization. While these intersections are not explored in detail here, it is critical to note that when axes of power (e.g., race, gender, and sexuality) are considered together and in relation to one another, disparities become further exacerbated. However, it is important to note that race and ethnicity on its own and across all axes of power is the most consequential predictor of wealth inequality.

2.1 Why We Use “Latine”

In addition to the limitations of categorizing complex race and ethnicity identities, it is vital to recognize the shifting politics of naming these categories. Here we want to focus on the changing uses of Hispanic and Latino/x/e. Before the 1970 U.S. Census, Mexicans, Cubans, and Puerto Ricans were counted as “white,” which served to erase community-specific political and material needs that could be addressed via federal and state funding based on Census data. After broad-based community mobilization, “Hispanic” was added to the 1970 Census as a linguistic category encompassing all people who have connections to Spanish-speaking countries. Resistance to “Hispanic” gained momentum in the 1990s because it included people with connections to Spain and its colonial history. The term “Latino” emerged as an alternative (Noe-Bustamante et al. 2020) to categorize people with connections to Latin America (including non-Spanish speaking countries) and became a government-adopted term in 1997. “Latinx” was introduced into the mainstream in 2004, as national and international movements advocated for gender and LGBTQ+ inclusive language. However, critics of Latinx say that the term erases Spanish language norms and is difficult to pronounce. The authors of this report have chosen to use the term “Latine” as this is gender inclusive and the use of -e has linguistic precedent in Latin American contexts. In this regard, “A growing number of LGBTQ communities here and abroad use ‘Latine’ (“la-tee-neh” or “lah-teen” [in English] or “la-ti-ne” [in Spanish]). Beyond being pronounceable in Spanish, unlike ‘Latinx,’ the -e can be applied to other words in verbal Spanish very easily, in place of the masculine -o or the feminine -a” (Real 2020: para 4).

While Latinx or Latine are far from being widely adopted by Spanish-speaking people in the U.S. (Noe-Bustamante et al. 2020)—with generational differences often dictating patterns of new language adoption—we use Latine throughout the report as a reflection of our deference to the needs and desires of those advocating for the inclusion and visibility of the most marginalized.

3.0 AN OVERVIEW OF THE RACIAL WEALTH GAP TODAY

Mainstream data measures wealth by the monetary value of owning assets such as real estate, businesses, savings, liquid assets, and stock market investments (e.g. bonds, shares, and pensions). According to the Federal Reserve System, as of 2019, the *mean*[2] (average) white household wealth was $983,400 while the mean Black household wealth was $142,500 and mean Latine household wealth was $165,500 (Bhutta et al. 2020). Even when looking at *median* wealth data (i.e., removing the top percentile of wealth owners), the disparity persists: white households have around $188,200 in wealth while the Black households have $24,100 and Latine households have $36,100 (ibid) (see Figure 1 in the report). Data on wealth disparities for Indigenous communities is not always provided by the U.S. government and certainly does not distinguish or include both residents of reservations and urban populations, so Natives are often excluded from racial wealth gap research. However, data from a study conducted in the early 2000s estimates that the typical Native American household had 8 cents of wealth for every dollar owned by the average white household (Zagorsky 2006). Furthermore, Indigneous conceptions of wealth differ from how wealth is measured in mainstream data. For instance, family is more likely to be identified as an asset and more communal stewardship of land is likely to be identified as wealth (Chang and Lui 2010). Culturally-specific understandings of wealth across Black, Indigneous, and Latine (BIL) communities are discussed in sections 2.2 and 2.3 of the report.

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[2] The racial wealth gap is typically measured by calculating the mean and median disparities in wealth (i.e. monetary value of owning assets) and income. Mean, or average, calculations take the whole sample population into account but can be easily skewed by outliers (i.e., billionaires). Median calculation accounts for those households at the middle of the sample distribution and therefore is not as skewed by outliers.

In addition to this already staggering difference in wealth based on race, the racial wealth gap continues to worsen. If Black household wealth continues to increase at the same rate as it has for the past three decades, it would still take 228 years to amass the wealth that white households have today (Institute for Policy Studies and CFED 2016).

In addition to owning assets, income provides another lens from which to analyze the racial wealth gap. While income is not the same as wealth, it does provide opportunities to build wealth by (1) ensuring economic stability, (2) having the resources to put towards asset ownership, and (3) having a safety net for insurance against unforeseen costs and circumstances. The COVID-19 pandemic has highlighted the lack of economic stability in Black, Indigenous, and Latine communities. BIL communities have not only been disproportionately affected by the disease, but they are also most impacted by the economic crisis and are currently the most likely to experience employment and business losses (MetLife and U.S. Chamber of Commerce 2020). The key to economic stability is having enough monetary resources to survive during times of crisis, and BIL communities are most likely to have insufficient safety nets to avoid going into significant debt, foreclosure, or bankruptcy. Further, BIL households earn significantly lower wages when compared to white households (see Figure 3 in the report).

The data presented in this literature review also zooms into Oregon and the racial wealth gap in that state. However, it is important to note some data limitations that are specific to Oregon. The 2010 Census underrepresented Black and Latine Americans, but Indigenous people who live on rural reservations were under-counted the most (4.9% were under-counted) (Census Bureau Public Information Office 2017). Census undercounting is consequential because it prevents vital funding opportunities for already under-resourced communities (We Count Oregon, 2019). Not only has undercounting affected funding levels, but it has also affected our understanding of the racial wealth gap in Oregon and beyond. In addition, the Census responses are sampled for other national studies, resulting in an underrepresentation of BIL communities in other surveys such as the American Community Survey (ACS), which provides important economic and housing information (US Census Bureau 2021).

Comparing Oregon racial equity to other states, the National Equity Atlas (2021) provides a prosperity score that measures racial disparities in economic vitality, readiness and connectedness using data from 2017. Higher rankings indicate a more prosperous state and Oregon is ranked 31st out of 50 states in overall prosperity among BIPOC residents. This type of mainstream data suggests that Oregon's racial wealth gap may not be as present as other states. However, these data fail to account for Oregon's uniquely racist history that not only prevented BIPOC folks from accumulating wealth, but barred them from growing roots in Oregon. This has continued to fuel the racial wealth gap.

Significant mainstream data gaps about BIL experiences continue to be an issue for Oregon (but not limited to Oregon). The Survey of Household Economics and Decisionmaking (SHED), a Federal Reserve national survey that measures the economic well-being of U.S. households and identifies potential risks to family finances, has a very low sample size of Oregon residents and even less representation from Oregon BIPOC residents. The 2020 SHED respondent numbers for Oregon according to race are: Black (n=6), Indigenous (n=0), Latine (n=11), white (n=145) (SHED 2020 Survey Data). When it comes to understanding rural BIL experiences, the data gaps are even worse. However, there are increasing calls for the collection of more racially inclusive data on economic inequality in rural and urban communities (National Equity Atlas 2021).

Despite these shortcomings, available data about Oregon paints a stark picture of the racial wealth gap. For instance, Black and Latine homeownership rates—34.6% and 45.9%, respectively—are significantly lower than white homeownership rates (66%) (Prosperity Now 2020). Throughout this literature review, we present Oregon-specific disparities that account for the racial wealth gap.

The next five sections explore details about how racial disparities show up in different domains of wealth building: (1) home and land ownership, (2) business ownership, (3) capital, credit, and debt, (4) income[3] and savings, and (5) tax code. The first four domains begin by presenting nationwide data about racial disparities followed by Oregon-specific data; the last discussion about the tax code focuses on Oregon-specific concerns.

3.1 HOME & LAND OWNERSHIP DISPARITIES

Homeownership is recognized to be the primary mechanism for building wealth in the United States. Along with land ownership (e.g., farms and rental units), home ownership is a pathway for the accumulation of an asset that appreciates over time and can be transferred from one generation to another (Rognlie 2015). However, historically, BIL folks have been and continue to be excluded from owning homes. The homes they do buy are often located in majority non-white neighborhoods and tend to either lose value or appreciate at slower rates due to racist appraisal practices, disinvestement in neighborhoods, and increasing racialized segregation (FreddieMac 2021; Menendian et at. 2021). The historical drivers of racist housing policies and practices are discussed later in the literature review (see section 4.1); however, the legacies of these policies continue to perpetuate disparities in homeownership today.

[3] Although income is distinct from wealth building assets, it is, nevertheless, a critical element of understanding the racial wealth gap, as income can determine, for instance, rates of savings, credit "worthiness," etc.

In 2016, the average white homeowner had $215,800 in home equity, compared with only $94,400 in home equity for the average Black homeowner (Dettling et al. 2017). The valuation of homes—whether they appreciate or depreciate and at what rate—is a consequence of histories of often deliberate government policies that sanctioned racism and segregation through redlining, blockbusting, steering, biased assessments of risk and home appraisals, and predatory lending practices (Taylor 2019). Many of these practices persist today. Not only are the homes of Black homeowners valued less than their white counterparts, gaps in rates of homeownership are also growing. Nationally, In 2019, only 42 percent of Black households owned a home, compared to 73 percent of non-Hispanic white households; this is a gap larger than in 1968 (Moss et al. 2020). Any gains in homeownership that Black folks made following the passing of the Fair Housing Act in 1968 have been erased for many reasons including (but not limited to) denial of prime loans, resorting to expensive credit and subprime or predatory loans, wage stagnation, and increasing gentrification and displacement (Goodman, Zhu, Pendell 2017). For Latine and Indigenous populations in 2018, homeownership rates are also significantly lower than white homeownership rates: 47% (Calderon 2018) and 53% (Perez 2018), respectively.

Indigenous households experience barriers to homeownership that are specific to the history and continued legacies of colonization in the U.S. These barriers are entangled with dispossession from traditional and ancestral lands and broken treaties by the U.S. government. Despite policies that have been created by federal entities to fund programs, like the Department of Housing and Urban Development's Section 184 Indian Home Loan Guarantee Program, which have increased mortgage lending to Indigenous borrowers, challenges remain around the value of tribal lands, which continue to be held in trust by the federal government. When land is held in trust, Indigenous folks do not own the land and cannot build equity from the value of the land. In turn, banks also cannot own reservation land and therefore cannot foreclose on a property, which creates more difficulties in securing a mortgage. In addition, histories and legacies of Tribal termination, whereby the federally recognized status of a sovereign nation is revoked, has led to mass displacement and many moved to metropolitan areas for economic relief. In urban areas, many Indigenous people experience unemployment, low-wage jobs, discrimination, and disconnection from cultural supports (National Archives n.d.). Furthermore, Indigenous folks experience the highest rates of poverty (25.4%) compared to Black (20.8%), Latine (17.6%), and white (8.1%) folks (PovertyUSA 2021) and are stuck renting at unaffordable rates, making barriers to wealth building, particularly through home ownership, virtually impossible.

Latine homeownership rates have been rising, but are still significantly lower than white homeownership rates. In addition, there is a tremendous diversity of experience within groups categorized as Latine (or Hispanic). For instance, homeownership is highest among U.S. born Latine folks, accounting for 60% of Latine homeownership

(Calderon 2018; NAHREP 2019). Latine individuals and families who migrate for seasonal work experience the most housing insecurity, while higher income Latine folks, especially younger and U.S. born, are making gains in homeownership. However, the overall story of Latine homeownership illustrates significant disparities. The following data points are included in research conducted by Ramirez et al. (2019):

- The percentage of Latinos who are "housing cost burdened," spending 30% or more of household income on housing costs, grew from 42.4% in 2000 to 56.9% in 2015.
- Latino homeownership rates have decreased each year from 2014-2017, meaning more Latinos are renting their homes. Over half of Latino household heads (54%) were renting their homes in 2016, compared to 28% of White household heads.
- Urban whites seeking natural settings and golf moved into two Latino communities (a Virginia town of 96,000 and a Georgia town of 16,000). This drove up housing costs and demand for low-wage workers. But these workers then could not afford the housing in their community, and were forced into employer-furnished housing and transportation.

Tax policy is also a significant driver for reinforcing the racialized homeownership gap. One of the largest federal programs for housing assistance is a tax policy that rewards affluent homeowners with larger mortgages by way of tax deductions on the loan's interest. Called the Mortgage Interest Deduction, this piece of tax policy advantages white households who have consistently higher rates of homeownership than households of color. White households are also 2.5 to 5.7 times more likely to be eligible and approved for loans over $500,000 than Black and Latine households (Crowley et al. 2015). According to a recently published brief on the Mortgage Interest Deduction (MID):

> "The tax code provides $25 billion per year in tax savings to affluent homeowners...[but it] does not incentivize homeownership, as many MID supporters claim. Instead...the MID contributes to economic and racial inequality, with affluent white households disproportionately benefitting from the deduction. White households account for 66% of the U.S. population, yet receive 71% of MID's benefits. Ninety percent of the MID's benefits go to taxpayers with annual incomes over $100,000 and 63% go to those with annual incomes over $200,000 (Joint Committee on Taxation, 2020)" (Meschede et al. 2021:3).

Racial disparities in housing have been exacerbated by COVID-19. The virus has disproportionately impacted communities of color, resulting in significant economic losses and instability, particularly for BIL households. According to a 2020 survey by NPR/Robert Wood Johnson Foundation/Harvard T.H. Chan School of Public Health, job and business losses, furlough, and wage reductions have been experienced by 44% of Black households, 46% of Indigenous households, and 63% of Latine households. BIL households are more likely to (1) have serious problems paying mortgage/rent and (2) fall behind on mortgage/rent payments. Furthermore, BIL households tend to have lower rates of savings when compared to white households, which translates into less economic stability during periods of emergencies and crisis (more on income and savings in section 3.4).

Turning to homeownership disparities in Oregon, BIL Oregonians have historically been prevented from owning homes, property, or businesses and they have been displaced from their homes and lands in favor of wealthier white settlers/residents. A series of exclusionary laws were implemented in Oregon in the late nineteenth century to prevent Black people from staying or settling in the state, and from owning property and entering into contracts. Oregon's history of dispossessing Indigenous nations from their lands—a topic discussed in detail later in section 4.4.2—is part of a legal landscape that was meant to ensure that Oregon was a white-only state. The legacies of these exclusionary laws and racist practices continue to shape homeownership disparities today.

As of 2019, a state task force documented that Black Oregonians had the lowest rates of homeownership, at only 32.2%, compared to the rate of white ownership at 65.1% (Joint Task Force Addressing Racial Disparities in Home Ownership, 2019). This trend is replicated in Multnomah County, where "Fewer than one-third of African-American households own their homes, compared to about 60% of white households" (Bates and Curry-Stevens 2014). According to Prosperity Now's Scorecard (based on 2018 ACS data), homeownership among Latine Oregonians is 42% and 51.5% for Natives. Access to affordable mortgages is one of the many barriers to homeownership that BIL families experience. Disparities in access to credit will be discussed in section 3.3.

Gentrification of historically Black and Latine neighborhoods and the displacement of residents of color as home prices skyrocket is another evolution of policymaking that supports the continued prosperity of wealthier and whiter populations. A 2018 study by the Portland Bureau of Planning and Sustainability revealed that "1,700 residents of color have been displaced since 2010, and low income households have also dropped... almost the entire corridor [Interstate and MLK] has moved into later stages where home values are high and vulnerable populations have been displaced" (Armstrong et al. 2018:5) (Figure 14). Many of those displaced are low-income renter households—approximately 34,000—who pay more than 30% of their income on rent (Armstrong et al. 2018). When households are cost burdened by rent, they have less capacity to save or invest in financial assets. Programs such as "Right to Return" have funded a $96 million policy allotting preference to those Black residents who have been displaced to access affordable housing (Pedro-Xuncax, 2019). While providing a means for displaced Black residents to go back to their old neighborhoods, the program is limited in scope for addressing the roots of gentrification and the racial wealth gap since it offers no means for residents to become homeowners again.

Figure 14. Map of Portland Gentrification Rate in 2016

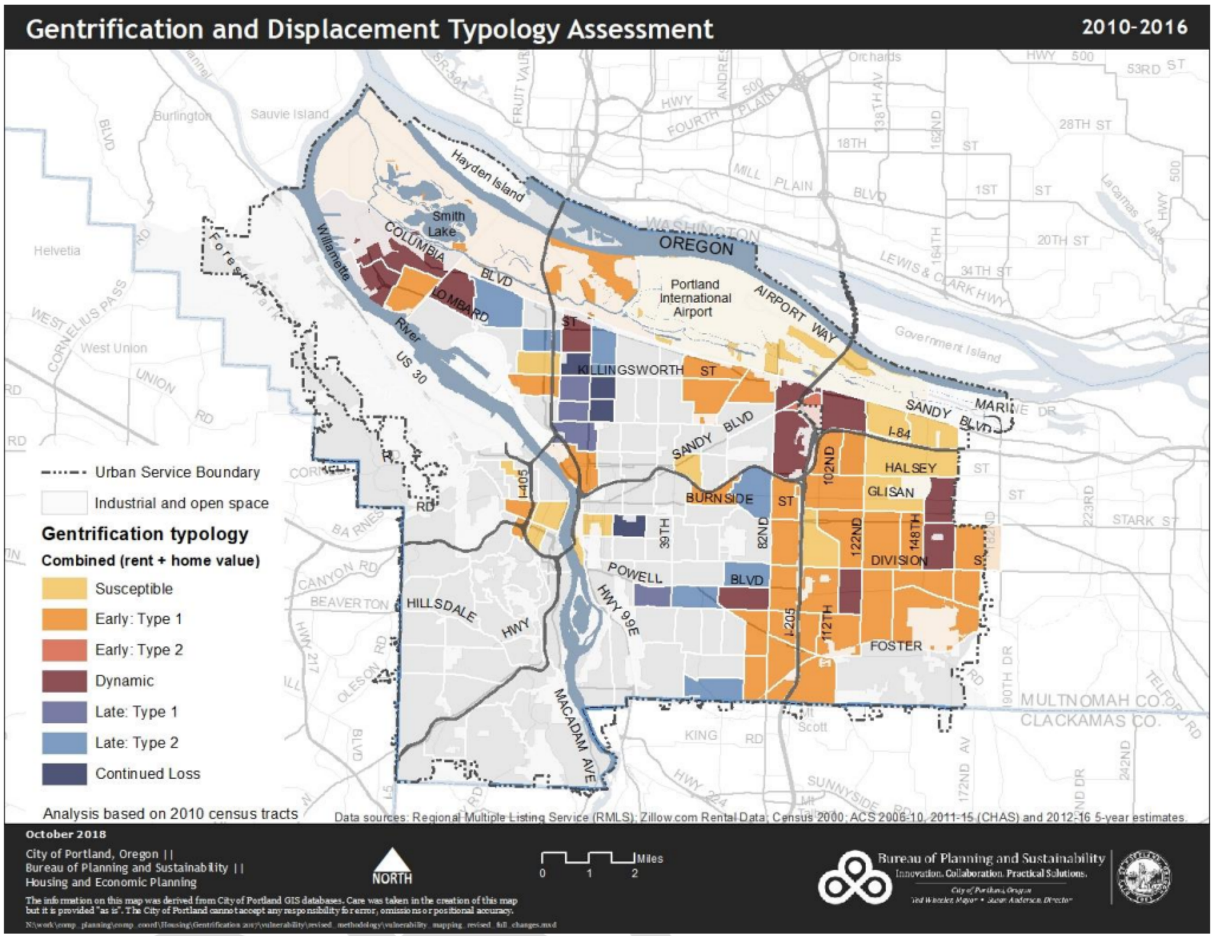


Figure 14 Legend Explanation. Susceptible: These neighborhoods have a high concentration of vulnerable populations to displacement, but the area has not experienced demographic change. The housing market is low to moderate, but they are following similar trends of other neighborhoods in higher stages of gentrification. **Early Type 1:** Neighborhoods still have vulnerable populations, but the area has not experienced demographic change and the housing market is low to moderate, but has experienced high appreciation since 2008 for homes or 2012 for rents. **Early Type 2:** Neighborhoods are starting to lose their vulnerable populations due to displacement, and the area is experiencing demographic change. Housing market is still low to moderate, but increasing rapidly. **Dynamic:** Neighborhoods are undergoing gentrification, they still have a large vulnerable population, but they are losing this community due to increasing housing appreciation since 2008 for houses and 2012 for rent. The housing market is still low to moderate. **Late Type 1:** Neighborhoods still have vulnerable populations, but are losing this community which changes the demographics of the area. Housing market is no longer low to

moderate (since 2000), and is now valued highly. **Late Type 2:** (added in 2018) Neighborhoods that no longer have large vulnerable populations like they used to in 2000 and in 2006 to 2010. The housing market is still low to moderate, but has experienced high appreciation since 2008 homes or 2012 for rents. **Continued Loss:** Neighborhoods that no longer have the vulnerable populations like they used to in 2000 and in 2006 to 2010. The area is now mostly white and of high soco-economic status, the housing market is now valued highly (Wheeler, Metz, and Herrington 2018).

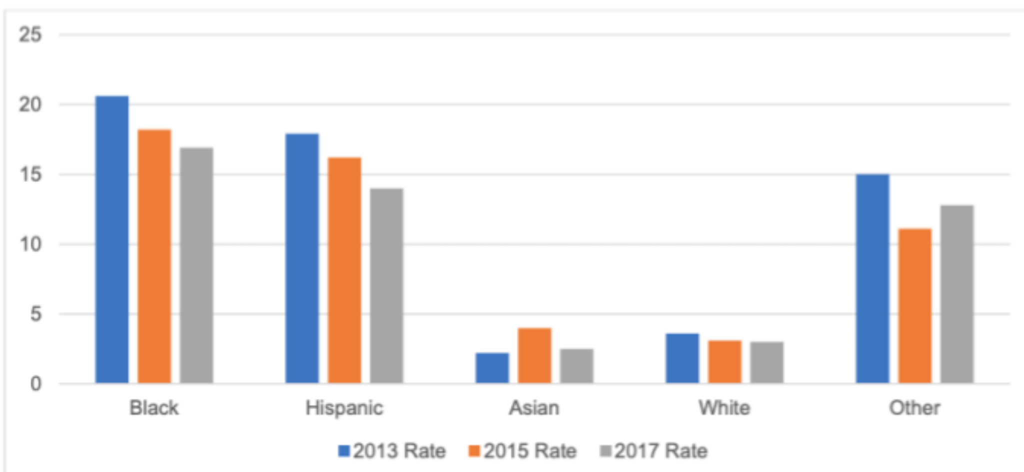
3.2 BUSINESS OWNERSHIP DISPARITIES

According to the Annual Business Survey, minority-owned businesses account for 18.1% of businesses in the U.S. (US Census Bureau 2021). 5.8% are Latine-owned, 2.2% are Black-owned, and 0.4% Indigenous-owned. The website Zippia (2021) reports somewhat differing business owner statistics using data from the Census: 14.4% are Latine-owned, 6.0% are Black-owned, and 0.5% Indigenous-owned. These data show the underrepresentation of BIL business-ownership. Despite Black and Latine business-owners having a median net worth ten times higher than those who do not own a business (Tippet et al. 2014), closing the racial wealth gap is not as simple as opening more Black and Latine businesses. Researchers argue that focusing on increasing the rate of these businesses may exacerbate the racial wealth gap due to the economic cost of starting, maintaining, and closing a business. For example, Black-owned businesses are less likely to remain open beyond four years compared to white-owned businesses (Kroeger and Wright 2021). Nationally, Latine business owners are overrepresented in startups, but only 5% make up businesses owners of million dollar companies (National Association for Latino Community Asset Builders 2020). Some of the drivers for lower success rates include a lack of networks, mentors, and familial experience opening up a business and acquiring startup capital (Fairlie & Robb 2008); lower levels of wealth and intergenerational capacity to transfer business ownership (M'Balou et al. 2019); and discrimination in credit markets.

Barriers to accessing credit markets significantly impact so many aspects of the racial wealth gap. Mystery shopper studies reveal how equally qualified Black and white entrepreneurs are treated differently by banks (Bone et al. 2014, 2017) whereby Black entrepreneurs are offered less credit on worse terms. Statistical studies further support how race is a negative predictor of loan acceptance and quality overall (Asiedu et al. 2012). When credit is difficult to come by, the prospect of business failure is felt more acutely by BIPOC entrepreneurs. During the pandemic, a national study conducted by MetLife and U.S. Chamber of Commerce (2020) surveyed 500 small businesses in the United States. The results highlighted racial disparities: In addition to expected loss of revenue and concerns about their health and the health of their employees, BIPOC business-owners were less likely to receive a loan compared to their white counterparts. This means BIPOC business-owners were unable to secure the necessary assistance to keep their businesses afloat. The study also revealed that 66% of racial minority-owned businesses were concerned about closing their business compared to 57% of white business owners. The difference was more staggering earlier in the pandemic: In May 2020, 78% racial minority compared to 52% white business-owners were concerned about closing their business.

In addition to discriminatory credit and loan approval practices, a significant percent of BIL households are unbanked or underbanked. Without access to bank accounts BIL entrepreneurs are structurally shut out from access to credit and other potential government assistance programs that are critical for business-ownership (as discussed below with PPP loans). The Federal Deposit Insurance Corporation (FDIC) published the findings of a 2019 survey that showed high rates of Black and Latine people were unbanked, which is described as “no account at an insured institution,” and underbanked, described as “having one account but also obtain[ing] alternative financial services” (FDIC 2019) (see Figure 15).

Figure 15. Unbanked Rate by Household Race and Ethnicity (2013-2017)



Source: Legislative Policy and Research Office
Data: FDIC National Survey of Unbanked and Underbanked Households

The Paycheck Protection Program (PPP) loans were disseminated by banks to small businesses in order to keep vulnerable businesses and their employees afloat during a time of economic peril. This life raft program completely failed BIPOC businesses across the nation; “A majority (51%) of Black and Latinx small business owners who sought assistance requested less than $20,000 in temporary funding from the federal government. Only about 1 in 10 (12%) received the assistance they requested" (UnidosUS & Color of Change 2020). Black and Latine business-owners were not only disadvantaged by loan requirements, but they were also not given the same level of encouragement, provided with different information, and were marketed different products. This level of discriminatory practices was especially apparent for Black women (Lederer & Oros 2020).

In Oregon, small businesses are an important source of employment. According to the Small Business Administration's Oregon Small Business Profile (2021), 99.4% of businesses are small businesses and they employ 54.9% of Oregon's employees. White-owned small businesses account for 87.7%, while Black (1.6%), Indigenous (0.38%), and Latine (5.6%) small business-owners are significantly underrepresented.

A notable trend to consider is the disparity of loans disbursed to minority-owned businesses is worsening in Oregon. In 2008 the Small Business Administration (SBA) made 71 7(a) loans[4] to Black-owned small businesses, and a relatively high rate of loans were disbursed to Black businesses for five years (Kish 2018). However, just two years later, the rate of loans to Black-owned small businesses dropped to only five, and has continued to be below 10 ever since. Receiving a loan from banks and the SBA is disproportionately difficult for BIPOC owned small businesses because these institutions expect small business-owners to understand the intricacies of the lending process and have all the required documentation, like payroll, taxes, and other financial statements, prepared (Feliciano and Kargbo 2020). Banks favor white-owned businesses, which are often more established, can demonstrate longer periods of revenue and capital generation, and with which banks have interacted with in the past (Feliciano and Kargbo 2020; Mills & Battisto 2020). According to a 2019 Federal Reserve Bank of Atlanta study, "In 2018, only 31% of [Black-owned businesses] received all the funding they applied for, compared with 49% of white-owned businesses, 39% of Asian-owned firms and 35% of Latino-owned businesses" (Masunga and Avery 2020).

While the impulse is often to increase the rates of BIPOC-owned small businesses in order to address the racial wealth gap, without the proper support and resources, it is more likely that BIPOC-owned businesses will not succeed. Simply growing the number of BIPOC entrepreneurs cannot close the racial wealth gap because structural barriers remain in place.

3.3 CREDIT & DEBT DISPARITIES

Racism is deeply implicated in the entire infrastructure of accessing affordable credit. Credit score modeling, for instance, depends on historical data to make decisions about a person's credit "worthiness." In other words, these models assess credit based on past behavior to predict future repayment behavior. The generations of advantages

[4] 7(a) loans are offered to small businesses. The maximum loan amount is $5 million. The SBA guarantees that "85% for loans up to $150,000 and 75% for loans greater than $150,000." (https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans).

accrued by receiving government subsidies that have disproportionately gone to white households—accessible homeownership, tax benefits for buying, selling, and inheriting homes that appreciate in value, attending college without graduating with debt, and securing well-paying employment—result in years of positive credit scoring in data systems and set up children for success. Meanwhile, intentional, policy-driven segregation and divestment along racial and ethnic lines have led many BIL families into generations of economic instability and poverty. Children aspiring to get out of these conditions enter into data systems later in their lives compared to their white counterparts and often inherit debt, creating a longer and challenging pathway towards building better credit.

One credit scoring system that is used by many lenders is "Classic FICO" and depends on an algorithm to determine whether an applicant meets the minimum credit score—a score of 620 is typically the minimum for a mortgage (credit score ranges from 300 to 850). However, the algorithm is stacked against most BIL applicants because it does not collect data for on-time rental, utilities, and cell phone payments, but will lower scores if those payments are missed (Martinez and Kirshner 2021). Credit scoring systems will also penalize applicants based on where they live, further entrenching geographies of segregations by design (Rice and Swesnik 2012). A recent study on credit scores across 60 cities in the United States found significant racial disparities:

> "Thirty-eight of the 60 cities have differences in median credit scores of 100 points or more between predominantly white and nonwhite areas. Nationally, the difference in median credit scores is nearly 80 points (697 versus 621, respectively), which, for a conventional mortgage, can cost families an additional $100 or more a month and thousands of dollars over the life of the loan" (Ratcliffe and Brown 2017: para 3).

In 2007, a Federal Trade Commission study, which was required under the 2003 Fair and Accurate Credit Transactions Act, found that "the mean score of African Americans was approximately half that of white non-Hispanics (54.0 out of 100 for white non-Hispanics versus 25.6 for African Americans) with Hispanics faring only slightly better (38.2)" (Federal Reserve 2007). The implications of lower credit scores are profound: BIL communities have higher mortgage rates (see Figure 6 in the report), higher insurance premiums, and experience a harder time securing rental housing, and may even pay higher utility costs—all because a credit score has determined certain individuals as more "risky" than others.

One study demonstrated that Black households pay substantially higher rates than whites for auto loans (National Consumer Law Center 2015) and much of this difference is associated with loans from private finance companies (Lightstream and Myautoloan.com n.d.) rather than banks (Firestone 2014). BIPOC people are also significantly more likely to be shut out of "prime loans"—those that require high credit scores and come with low interest rates—even if they meet, and even exceed, the minimum criteria for these loans (Hale 2021). A recent study conducted by The Markup on 2 million mortgage loans reported to the government found glaring racial disparities between applicants with similar profiles (Martinez and Kirshner 2021). This research found that when compared to similar white applicants, lenders were:

- 80 percent more likely to reject Black applicants
- 70 percent more likely to reject Native American applicants
- 50 percent more likely to reject Asian/Pacific Islander applicants
- 40 percent more likely to reject Latine applicants

When BIPOC folks are denied loans, even when they meet qualification standards, often their only other choice is to turn to subprime loans, which typically have astronomical interest rates tied to the loans. Lax regulations of private lending institutions and online financial technology companies are driving higher-priced loan products for minorities (Bartlett et al. 2019). Subprime mortgage loans were one of the main drivers of the 2008-2010 recession and foreclosure crisis as many households, largely BIPOC, could not pay the high costs of their loans especially when the value of their homes dropped. The impact of the recession for Black households in particular was devastating: “The 2008 financial crisis devoured more than half of the wealth of the black [sic] community, proving once again the adage that ‘when Wall Street catches a cold, Harlem gets pneumonia’” (Baradaran 2017:1). Subprime lenders (e.g., Home: “Carrington Mortgage Services” & “First National Bank of America”; Auto: “Santander Consumer USA Inc.” & “Toyota Financial Services”) and especially payday loans (e.g., “ACE Cash Express” & “Rapid Cash”), are far more unregulated than conventional, prime lending, and aggressively market in and seek out BIPOC neighborhoods. Payday loans in particular are often relied upon during times of emergency, usually to pay off other debt, especially medical debt (Schaberg 2018); however, with high interest rates, payday loans often create cycles of debt that are difficult to pay off. A vicious cycle is evident: historically disadvantaged communities cannot access credit, so they are forced to turn to extremely expensive credit, putting them more in debt, and reducing credit scores and limiting their chances of accessing prime credit.

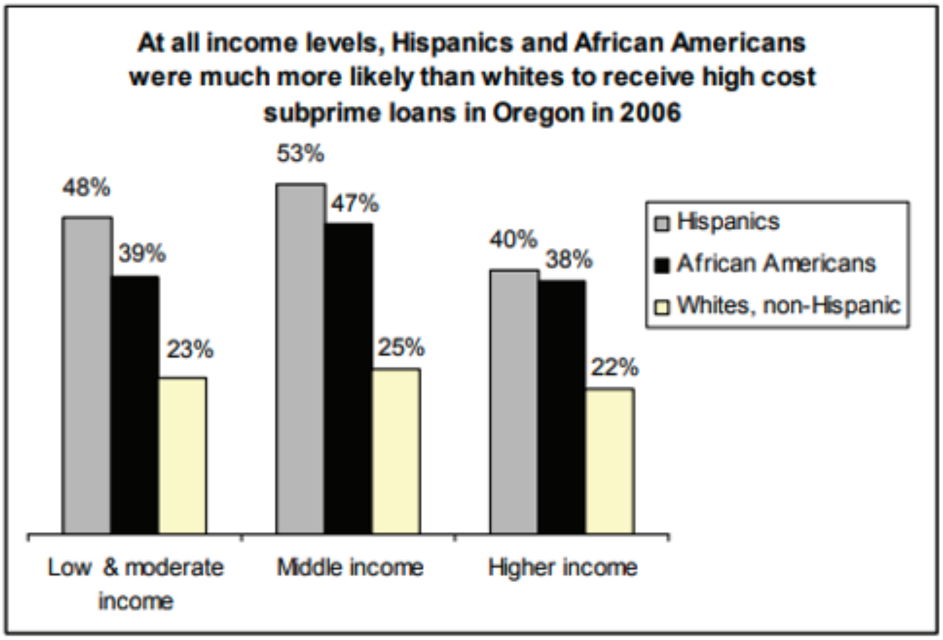
This discrimination can only be comprehended by the alarming barriers to accessing credit and the aggressive tactics used to market expensive debt and then collect on these debts. While moderate-income African Americans have similar rates of default and late payments to moderate-income white Americans, disparities in debt persist:

- Thirty-seven percent of indebted African American households reported paying more toward their credit card balance as a response to information in their monthly statements mandated by the CARD Act (Ruetschlin and Asante-Muhammad 2013).

- Seventy-one percent of African American middle-income households had been called by bill collectors as a result of their debt, compared to 50 percent of white middle-income households *(*ibid*).*
- A 2008 survey found that, although Black borrowers carried lower balances on their cards, they paid more interest (Freeman 2017).
- In 2008, student loan debt affected 15 percent more African American graduates than white graduates (Ruetschlin and Asante-Muhammad 2013).
- Eighty percent of African American college grads took out some amount of loans in order to attain higher education, compared to 65 percent of whites *(*ibid*).*
- African American students reported higher levels of financial stress than other students (Grabel and Joo 2006).
- Researchers found that 99 percent of indebted moderate-income African American households who had expenses related to starting or running a business in the past three years still carry that expense on their credit card bill, compared to 80 percent of white (Ruetschlin and Asante-Muhammad 2013).
- The median credit card balance from health expenditures among African American middle-class households that carry the expense on their credit card is $933 (ibid)*.*
- Among indebted moderate-income African American households, 47 percent have skipped a medical test, treatment or follow-up, did not fill a prescription or did not visit a doctor when necessary in order to reduce medical expenses (ibid).

Turning to Oregon, assessments from an Oregon Legislative Task Force, analyzing data from the 2000s, have shown that "African Americans were 30 percent more likely than whites to get higher-priced subprime loans and African American and Hispanic borrowers are 103 percent and 78 percent more likely to receive high-cost mortgages" (Joint Task Force Addressing Racial Disparities in Home Ownership 2019). Additionally, the same study found that Latine and Black borrowers paid 7.9 basis points more in interest for home-purchase mortgages, resulting in a total national cost of $756 million annually" (ibid). The Oregon Center for Public Policy, in their analysis of subprime mortgages approved by a specific lender, found that Black and Latine households were more likely to receive subprime loans compared to white households (OCPP 2008) (see Figure 16).

Figure 16. Subprime loans in Oregon by Race/Ethnicity (2006)



Note: Race/ethnic categories are based on the applicant only; co-applicant is disregarded. Analysis includes only conventional, single-family home purchase and refinance loans. Low & moderate income is under 80 percent of median area income; middle income is 80 percent to 119 percent of median area income; higher income is 120 percent or higher of median area income. A "high cost subprime" loan is one with an APR 3 points or more above U.S. Treasury securities of the same maturity or, for second mortgage loans, an APR 5 points or more above Treasury securities of the same maturity.
Source: OCPP analysis of Home Mortgage Disclosure Act data.

Indigenous communities, especially those living on reservations, have increased barriers to accessing credit based on their inability to own lands that are held in federal trust. This denies Indigenous folks the ability to use the value of their land towards collateral when applying for loans, and Indigenous borrowers are viewed as inherently more “risky.”

3.4 INCOME & SAVINGS DISPARITIES

Although income is not defined as a wealth building asset, disparities in income levels are deeply entangled in the growing racial wealth gap. A higher concentration of Black and Latine households are also low income households and experience poverty.[5] According to the Census Bureau’s Current Population Survey, Annual Social and Economic Supplement, Black folks represent 13.2% of the total population in the United

[5] The Census Bureau defines poverty as when the pre-tax income of a household falls below a preset poverty threshold. In 2020, the poverty threshold for a family/household of four was $$26,200.

States, but 23.8% of the population in poverty; Hispanic folks represent 18.7% of the total population, but 28.1% of the population in poverty (Creamer 2020). Lower income households also have less disposable income to save or put towards investments. According to the National Institute of Retirement Security, three of four Black households and four of five Latine households have less than $10,000 in retirement savings compared to one of two white households. BIPOC folks approaching retirement age have average savings of $30,000, which is just one-quarter of the average saved by white households ($120,000) (NIRS 2013). Brown (2021) also points out that Black individuals commonly withdraw funds early from their retirement savings and pension accounts to take care of less well-off family and community members while paying an increased fee for early withdrawal.

National data show general stagnation of wages and also the persistence of racialized disparities. According to the Economic Policy Institute, over the past 40 years, wages for the total U.S. workforce have grown slowly and at a much slower rate than those at the top of the income bracket. The median salary of a full-time, year-round worker is $40,000. The racial wage gap has increased or only slightly narrowed between 2000-2019: “While the Hispanic–white wage gap has narrowed slightly over the last 19 years (12.3% in 2000 compared with 10.8% in 2019), the black–white [sic] gap was significantly larger in 2019 (14.9%) than it was in 2000 (10.2%)” (EPI 2020). According to a 2015 Pew study, the average hourly wages for Black and Latine men were $15 and $14, respectively, compared with $21 for white men (Patten 2016).

The National Congress of American Indians 2017 data indicated that the median income for Native American Indians was $40,315, which is considerably lower than the national average ($57,625). Income disparity among Native American is most present on reservations whose household income is $11,218 lower than the national income average for Native Americans (Asante-Muhammad, Tec & Ramirez 2019). Based on 2018 Census data, American Indian and Native Alaskan individuals have the highest percentage of unemployment (6.6%) compared to Black (6.5%), Latine (4.7%) and white (3.5%) racial groups (Bureau of Labor Statistics 2019).

The country’s regressive income tax system also harms lower income families more than those at the top income brackets. *ProPublica* illustrates this inequity through an analysis of 2018 tax returns. Their analysis of IRS data found that “by the end of 2018, the 25 [richest Americans] were worth $1.1 trillion. For comparison, it would take 14.3 million ordinary American wage earners put together to equal that same amount of wealth. The personal federal tax bill for the top 25 in 2018: $1.9 billion. The bill for the wage earners: $143 billion” (Eisinger, Ernsthausen, and Kiel, 2021). Lower income individuals pay a larger portion of their income on taxes, and it is important to note that their disposable income after taxes tends to be spent on basic necessities. As described by *The Balance*, “poor families spend a larger share of their income on the cost of living. They need all the money they earn to afford basics like shelter, food, and transportation.

A tax cut will allow them to afford a decent standard of living. It will also allow them to start saving and increase their wealth" (Amadeo 2020).

Furthermore, intergenerational income levels are significant indicators of social and economic mobility. Data from the Opportunity Atlas offers more perspective on intergenerational income disparities across racial and ethnic groups. Using Census tract level data, it sheds light on disparities associated with social mobility by comparing whether differently racialized groups are able to make more or less income than their parents. In Multnomah County, Oregon, the white child of a white parent who is in the 25th percentile of income (average of $27,000) will have an average income of $34,000 by the age of 35. The Black child of a Black parent in the same income percentile will have an average income of $23,000 by age 35—less than their parent. Conversely, a white child growing up in a household where the parent is in the top 75th percentile of income ($95,000) will make an average income of $50,000 at age 35 while their Black counterpart will make an average income of $35,000. These data show that social mobility via economic advancement for Black children, regardless of their parents' income, is significantly less than white children.

BIPOC Oregonians' experiences of economic inequality are similar to national level trends. Longitudinally, Black, Indigenous, and Latine Oregonians have had far less in household income than the state average, although the gap did decrease in 2019 (Lehner 2018). According to the 2014-2018 American Community Survey (5 year estimates), the breakdown of low income BIPOC Oregonians is: 4.2% Black, 4.6% Indigenous, and 20.7% Latine. Similarly, longitudinal research has found that Black and Indigneous individuals have had less employment opportunities compared to the state averages (Lehner 2018). These economic inequality trends present themselves in Oregon's poverty rates. Pre-pandemic, 28% of Black families, 23% of Indigenous, and 23% of Latine Oregonians were living below the poverty line, which was disproportionately higher than white, Multiracial, and Asian samples (Mechling 2020). This disparity was also exacerbated by intersectional experiences such as being a younger age, identifying as a woman, and having a disability (Mechling 2020; Women's Foundation of Oregon n.d.).

3.5 TAX CODE DISPARITIES

It is often thought that taxes are race-neutral because on the surface taxes are "just" about numbers and proportions. Even though tax codes do not explicitly mention race, nor does the IRS collect data on race and ethnicity, the tax system produces inequitable outcomes along the lines of race, which then directly impacts a household's ability to build wealth.

Like all other states in the country, Oregon's tax policies are derived from legacies of U.S. racist history that still influence how the tax code impacts BIPOC communities today. For example, supermajority requirements in taxation and property tax limits were policies created during the Jim Crow era and gained widespread adoption after the civil rights era. Supermajority ($\frac{3}{5}$) requirements in taxation ensure that any changes to the tax code are difficult to achieve, and limitations on raising property taxes overwhelmingly serve to protect wealthy, white property owners. Mortgage interest deduction and kicker rebates are other tax policies that mainly subsidize well-off homeowners and rebate high-income earners—mostly white households—which deepens racial inequality. Further, when considering all of the different taxes collected at the state and local levels such as income taxes, property taxes, excise taxes (e.g., gas and tobacco), etc., those who earn the least pay a higher share of their income while those at the top pay the least. This means that BIPOC Oregonians disproportionately pay higher taxes than white Oregonians.

The ways that tax policies are applied are also racist. Tax assessors in the U.S. have historically and still today over-value property owned by Black and brown folks. Research shows that Black and Latine residents across the U.S., including Oregon, pay a higher effective property tax rate for the same level of public services as white residents (Leachman et al. 2018). The same effect happens in IRS audits, even though there is no data available to understand to what extent. However, it is known that the ten most audited counties in the U.S. are predominantly Black, and the least audited counties are disproportionately white (Brown 2021a).

Some tax provisions do advance racial equity, such as the earned income tax credit (EITC), child tax credit (CTC), and estate tax, which raise after-tax incomes of low-income earning families. The impacts on BIL populations undoubtedly reduce poverty and play a role in helping BIL children improve educational outcomes, including improved math achievement, completing high school, and enrolling in college. In this regard, research finds that:

“[I]ncome from the EITC and CTC leads to improved educational outcomes for young children in low-income households. For each $1,000 increase in annual income over two to five years, children’s school performance improves on a variety of measures, including academic test scores. A credit that’s worth about $3,000 (in 2005 dollars) during a child’s early years may boost his or her achievement by the equivalent of about two extra months of schooling” (Marr et al. 2015: para 5).

Finally, estate taxes are the primary state taxes paid mainly by the wealthy, but since 2000, the U.S. has gone from all states implementing one to only 12 (including Oregon) plus D.C. While these policies are promising and need further expansion and adoption, the tax code largely advantages white, wealthy elites and hurts everybody else, particularly communities of color.

4.0 HISTORICAL CONTRIBUTORS TO THE RACIAL WEALTH GAP

In this section, the racial wealth gap is charted by providing historical context for why disparities exist today. We recognize that it is not possible to capture the complexity and nuance of many distinct and intersecting historical drivers that created the conditions in which Black, Indigenous, and Latine communities have been excluded from wealth building. Despite these limitations, the historical context presented here provides an overview of the significant historical moments and turning points that have contributed to racial wealth gap.

Roxanne Dunbar-Ortiz writes “The history of the United States is a history of settler colonialism—the founding of a state based on the ideology of white supremacy, the widespread practice of African slavery, and a policy of genocide and land theft” (2014:2). These foundational oppressions have shaped the laws and institutions of this nation. Their logics are rooted in possessing the resources that build and protect the economic, social, and political interests of those with the closest proximity to whiteness. As this country was being built off of the violent exploitation and enslavement of Black people and the theft of land and resources from the Indigenous peoples who inhabited and still inhabit this land, laws and policies were established to encourage the creation and protection of wealth for white households and prevent wealth building for Black, Indigenous, and non-white households at all costs (Rothstein 2017). These efforts were all encompassing and infiltrated unequal access to opportunities, resources, and power afforded to white people. According to a recently published report,

“Throughout the 19th and 20th centuries, politicians and government officials provided ‘wealth starter kits’ that included land, government-backed mortgages and farm loans, a social safety net, and business and education subsidies to White families while intentionally excluding Black families. These wealth drivers of yesteryear continue to shape wealth ownership today” (Hicks et al. 2021).

Presented below is an overview of how the laws and policies created—often by design—the conditions for wealth inequities that exist today among Black, Indigenous, and Latine communities.

4.1 BLACK COMMUNITIES

One of the most significant historic drivers that informs the racial wealth gap between Black and white people is slavery and its legacy. Lee describes the racial wealth gap as “perhaps the most glaring legacy of American slavery and the violent economic dispossession that followed” (2019: para 5). The racial wealth gap has existed since the founding of this nation as the majority of Black Americans were enslaved and therefore entirely prevented from building wealth (Lee 2019). However, enslaved people, who were legally categorized as property, were the primary mechanism for building and transferring white wealth for centuries. Following the *de jure* abolishment of slavery following the Civil War, the brief era of Reconstruction (1863-1877) in the South saw important economic, educational, and political gains for Black people. These advances included the establishment of the Freedmen's Bureau to provide education and job training, the Freedmans' Savings Bank, and the ratification of the thirteenth, fourteenth, and fifteenth amendments.

Yet Black people were barred from building wealth and becoming economically stable through land ownership. The "Black codes'' in the South were laws that prohibited Black people from property ownership, commercial trading, and voting. Furthermore, "white southerners simply refused to sell land to blacks [sic]. Land was sometimes sold at half the price to white buyers compared to what black [sic] buyers were offering just to avoid selling their land to blacks [sic]" (Baradaran 2017:18). The intent of prohibiting Black people from owning land and building wealth was so that the southern plantation economy would not outright fail due to a shortage of labor. One mechanism to ensure the supply of labor was through "vagrancy laws" that took advantage of a loophole in the thirteenth amendment whereby any conviction could lead to convicts re-entering slave-like labor conditions (i.e. convict leasing) (Alexander 2010).

Despite these systemic constraints, many Black people across the country continued to aspire to own land and become economically self-sufficient. The Freedmen's Savings Bank was one of the only mechanisms available to Black people to achieve this goal and it became a trusted government financial institution. The Bank was solely a savings bank and not a lending bank. In just ten years, the bank had $75 million in deposits made by 75,000 depositors (Baradaran 2017). However, the management of the bank was controlled by white men with powerful ties to the financial world. With so much capital sitting idle in the bank, the trustees and management leveraged these funds for risky speculative investments. Propaganda campaigns continued to urge Black savers to put their money in the bank. The bank eventually failed due to these risky investments and "more than half of accumulated [B]lack wealth disappeared through the mismanagement of the Freedmen's Savings Bank" (Baradaran 2017:30). This failure not only resulted in economic ruin for thousands of Black households, but eroded or flat out ended any trust that Black communities had in the government.

The institutional barriers against Black access to wealth building continued into the twentieth century. Jim Crow laws in the South systematized segregation by denying Black people access to voting rights, education, health care, and infrastructure. White mob violence and lynchings were forms of terror used to keep Black people from making social, economic, and political advances (see, for instance the destruction of

“Black Wall Street” in Tulsa, OK) (Merrefield 2020). In addition to violent dispossession, Black communities were shut out of so-called progressive policies meant to lift people out of poverty. The 1930s saw the passing of policies to repair the economic damage of the Great Depression. These “New Deal” policies created government subsidized welfare programs, including homeownership subsidies, available to a wider population. The Federal Housing Authority (FHA) was created to develop and implement homeownership programs. Yet the primary beneficiaries of FHA housing subsidies, such as lower down payments and longer loan periods, were white middle- and low-income families. FHA policies and programs served to further entrench geographic segregation by refusing to insure mortgages in and around Black neighborhoods (Katznelson 2005; Rothstein 2017). Black and minority neighborhoods would be coded as red, or “redlined,” to indicate highest level of risk, which meant it was nearly impossible to be approved for a mortgage to own a home. The FHA’s *Underwriting Manual* and other official technical guidance memos demonstrate how racialized segregation via housing was an intentional policy. The manual and other documents included directives stating that “incompatible racial groups” are not permitted to live in the same communities; explicitly mandating racial covenants that legally prohibited homes to be sold to Black people and other minorities; requiring all lenders to keep color coded maps (i.e., redlined maps) to guide loan approvals; and advising the construction of highways as a strategy to maintain residential segregation (Kimble 2008).

This kind of government mandated exclusion has been one of the most consequential forms of wealth stripping from Black and other minority communities. Even with the passage of the 1968 Fair Housing Act, which prohibited many of these racist policies and practices, residential segregation has continued to increase and the homeownership gap continues to prevent Black families from building intergenerational wealth (Moss et al. 2020). We can certainly chart the trajectory of the Black-white wealth gap to one of the founding logics of this country: slavery. According to Rothstein, segregation in housing is a constitutional violation of the thirteenth amendment because it reinforces second class citizenship and that “exclusion from housing markets could be a ‘badge or incident’ of slavery” (2017:ix).

4.2 INDIGENOUS NATIONS & COMMUNITIES

The colonization of the Americas ravaged millions of Indigenous lives through a combination of violent conquest and murder, disease exposure and bio-warfare, forced assimilation, and genocide (Ostler 2019). During this time, treaties were drawn between white government officials and Indigenous leaders that ceded the majority of land to the U.S. government in exchange for monetary compensation and relocation onto reservation land. However, many of the treaties were never ratified by Congress, yet Native Americans were still forced to vacate their ancestral lands (Wang 2015). Acts of

Congress also broke treaty agreements with Indigenous nations. The Homestead Act of 1862, for instance, transferred enormous tracts of Indigenous land to white settlers—approximately 300 million acres west of the Mississippi—by breaking multiple treaties (Dunbar-Ortiz 2017). Other Acts of Congress appropriated land from Indigenous nations to establish land grant universities and for private business interests, such as railroads (ibid). In addition, the US government seizure of land often resulted in the mass exiling of Native populations across vast distances. The Trail of Tears is one such major event, when thousands from the Cherokee nation were forcibly removed from their ancestral homelands in Alabama and Georgia to Oklahoma (ibid).

After 1871, Congress declared that no more treaties would be made with Indigenous nations, and instead all future dealings would be through legislation. This created the necessary groundwork for more efficient expropriation of Indigenous land. The General Allotment Act of 1887, also known as the Dawes Act, gave the President executive authority to divide reservations lands for individual Native families and households. The ideological justification for this unilateral executive power was in the belief that private property ownership was the most civilized form of social and economic organization; Indigenous lifeways and collective land arrangements were deemed backwards (Indian Land Tenure Foundation n.d.). The Dawes Act also ensured that land allotted to Indigenous families was held in trust by the US government. This meant that "the United States would retain legal title to the land as trustee for the allottee; Indian allottees only had beneficial or usufruct title. In other words, as long as the allotment was held in trust by the federal government, the Indian landholder could use the land but not sell it or lease it without the federal government's approval" (Indian Land Tenure Foundation n.d.). Legislation and policies passed by the US government were powerful mechanisms for dispossessing Indigenous nations from the land, and thereby severing economic, cultural, and spiritual connections. As such, these policies served the settler-colonial objective of assimilating Indigenous populations into the white nation.

Assimilation through erasure and cultural genocide has been central to U.S. government approaches and policies towards Indigenous nations and communities for centuries. The forced relocation of Indigenous children to boarding and residential schools (now called "assimilation schools") and its contemporary iteration of putting Indigenous children into the foster care system, is illustrative of the philosophy of "kill the Indian, save the man" (Churchill 2004). A slew of termination policies were enacted in the mid-twentieth century with the intention to further assimilate Indigenous peoples by dispossessing them of land, culture, and identity. In 1953, the U.S. government broke treaties with Indigenous peoples of California, Oregon, Wisconsin, Florida, New York, and Texas and dismantled nearly 100 Tribal systems. During this time, Indigenous sovereignty was terminated and their governments were forced to distribute their assets and forgo sovereign powers used to serve their communities (Hendrix 2014). In 1954 the Department of the Interior issued that all Native-run health facilities, property, personnel and budget funds were to be transferred to the US Public Health Services. These policies led to abysmal consequences for Indigenous people on their reservation lands; homelessnes rates sored, alcohol related deaths increased significantly among young people, and education and economic opportunities plummeted (National Academies of Sciences Engineering and Medicine et al. 2017). In the 1970's, President Nixon requested Congress to reverse termination and out of the 113 terminated Tribes only 78 have been recognized again; 31 are still landless and 24 are now considered extinct (American Indian Roots 2013).

The consequences of histories of genocide, assimilation, and dispossession have been dire for Indigenous nations and communities. Today, Indigenous communities experience the highest rates of poverty in the nation at 25.4%. This poverty is exacerbated for the 20% of Indigenous people and families who live on reservations whose median income is "$29,097, compared to the national median income for Native Americans which is $40,315" (Asante-Muhammad, Tec & Ramirez 2019: para 2). Additionally, the typical Indigenous household had 8 cents of wealth for every dollar owned by the average white household (Chang and Meizhul 2010).

4.3 LATINE COMMUNITIES

Data about the status of Latine populations in the United States largely focuses on Mexican-American populations, as this is the largest aggregate group and has longer periods of historic entanglements with the United States (Noe-Bustamante et al. 2019). Many Mexican-Americans lived as Mexican citizens in much of California, the Southwest and Texas, until the annexation of these regions by the United States government following the Mexican-American war in 1848 (Perea 2003). The Treaty of Guadalupe Hidalgo (1848) ensured a transfer of property rights to Mexicans who opted for citizenship (90% opted in). Of course, only Mexicans who were racialized and counted as "white"—namely those of Spanish or mestizo descent—were granted U.S. citizenship and the property ownership rights that come with citizenship (Clay 1999). However, even citizenship could not protect many Mexicans' rights over their property. In 1851, Congress passed the California Land Act (CLA) that failed to honor the Treaty of Guadalupe Hidalgo by shifting the burden of ownership proof on land owners and grantees (Luna 1999). The CLA passed due to political pressure to open up land for white settlers.

Even after the Mexican-American war, many Mexicans were allowed free movement across the border according to seasonal growing patterns and to fulfill labor demands. But with the introduction of increasingly strict immigration policies, the US-Mexico border disrupted long established trade and migration routes, divided

Indigenous lands and connections, and set the conditions for an increasingly militarized border.

Labor from Mexico and other parts of Central and South America and the Caribbean has been a fundamental backbone of U.S. economic prosperity. For example, in response to the shortage of labor caused by World War II, the federal government established the Bracero Program which brought Mexican workers into the U.S. as independent contractors. These workers predominantly labored in agricultural and railroad industries. When the program was terminated in 1964, millions of migrants had established connections with the US, and many *braceros* would settle albeit with undocumented status (Calavita 2010).

The overarching barriers to wealth building experienced by Latine communities across the country can be attributed to histories of exploitative labor practices that are connected to racist and exclusionary immigration policies and welfare systems that fail to protect documented and undocumented residents.

“As Latinos grew in number and visibility in the United States after 1965 they were subject to a systematic process of racialization… intended to position them as a stigmatized out-group in American social cognition...In the media, they were demonized as a grave threat to the American culture, society, and the economy...in the legal realm they were systematically excluded from rights, privileges, and protections extended to other Americans...and in the domain of public policy they were subject to increasingly harsh and repressive enforcement actions that drove them ever further underground...The net effect was to place Latinos in a uniquely tenuous and vulnerable position that pushed them steadily downward the socioeconomic hierarchy” (Massey n.d:2)

While Latinos have the highest labor force participation of any ethnic group in the United States at 66.1% (US Bureau of Labor Statistics 2018), they are not being adequately compensated for their labor nor are they provided with same access to key wealth building tools used by white populations such as home ownership, land ownership, and higher education. For example, the predominantly Latine immigrants in the U.S. on the H-2A agricultural worker visa “are paid less than the national average in each of the top-10 occupational categories” (Huennekens 2018: para 11) for labor that is physically and psychologically taxing. After the Great Recession of 2008, “Latino immigrants’ economic position worsened… as they experienced significant decreases in employment and loss of wages” (Agius Vallejo & Keister 2019:3747) and the highest rates of foreclosure on their homes. In addition to being tasked with overcoming flawed immigration and labor policy, the demand for cheap and expendable labor is an inherently destabilizing condition, leaving Latine communities overworked, underpaid, and significantly vulnerable during times of economic instability.

Finally, it is impossible to understand the conditions experienced by many Latine communities without accounting for the complex histories of U.S. interference in destabilizing much of Central America, the Caribbean, and South America. The United States' role in producing the economic and political instability of the region serves as important factors for migration to the economically more viable United States (Weyland, 2018). Interventions in civil wars, propping up far-right authoritarian governments, and supporting violent narco-states and insurgencies have had devastating consequences on local populations and economies. Inter-governmental trade agreements, such as the North American Free Trade Agreement (NAFTA), have resulted in further dispossession of land, especially for Indigenous communities, and created further violence and exploitation (Carson 2013). Many people flee these conditions as immigrants, asylum seekers, and economic migrants only to experience more violence at the U.S. border, entanglement in a complex immgration legal system, and if successful, multiple barriers in the U.S. for achieving economic stability.

4.4 OREGON HISTORICAL CONTRIBUTORS TO THE RACIAL WEALTH GAP

The racial wealth gap in Oregon, like other parts of the U.S., is derived from the legacies of racist policies. When we discuss those who are affected by the racial wealth gap in Oregon, we have to consider the BIPOC people who are represented in the numbers and the BIPOC people who are not. That means reflecting on the economic hardship experienced by Black families who were expelled from, prevented from, and afraid to settle in Oregon due to state sanctioned vioence and racial prohibition (Millner n.d.); recognizing the economic impact of the mass deportation of undocumented Mexican Oregonians in the 1930s and again in the 1950s despite their valuable contributions to the state's agriculture, railroads, and war time efforts (Garcia n.d.); reconciling with the cultural and material wealth lost when white settlers removed Oregon's first peoples from their land and ended many sources of economic security and potential family lineages (Cain 2017). These are a few examples of policy-driven economic oppression that cannot be fully understood by data alone; thus when discussing the mechanisms of the racial wealth gap it is important to remain cognizant of historical context. While the drivers behind these communities' lack of wealth are different, the consequences are felt regardless.

4.4.1 Black Oregonians

For Black Oregonians, the barriers to building wealth were written into law. Before Oregon had even become a state, laws were written to punish and exclude

Black people from making their homes in the territory. By 1859, “Oregon was the only state that entered the Union with a clause in its constitution forbidding Black people to live here” (Imarisha 2013:12). A “Lash Law,” which had been introduced prior to Oregon joining the Union, enforced this constitutional clause; any Black person in Oregon would be subjected to public whipping every six months until they left (ibid). Although the exclusionary law was repealed in 1926, the language of the legal clause remained in Oregon's constitution until 2001. “The only reason a Black community exists in Oregon is because of determination, creativity, and community-building” (ibid). Black workers were critical for the completion of the railroads and many worked in the shipyards. The railroads enabled more Black people to settle in Oregon and establish roots, primarily in Portland. A vibrant Black community existed in the Albina neighborhood, which was also a redlined part of the city, making it nearly impossible for residents to be approved for loans to purchase homes (Figure 4 in the report).

In the 1940s, another temporary housing area called Vanport was built for shipyard workers, over 40% of whom were Black (Downs 2015). The “temporariness” of this housing was intentional: the Housing Authority of Portland feared “that a permanent housing development would encourage black [sic] workers to remain in Oregon after the war” (ibid: para 5). When a railroad dike holding back the Columbia River failed after heavy rains, Vanport flooded and over 18,000 residents were displaced. For Vanport’s Black residents, the only option for them was to move to Albina, which was already experiencing housing shortages and overcrowding (ibid). The mid-twentieth century witnessed increased gentrification of Albina and explicit policies that displaced Black residents, including the construction of the I-5 highway through the neighborhood that destroyed thousands of homes (Imarisha 2013).

Gentrification and displacement continues to affect Black families—financially, physically, and mentally and emotionally (PAALF 2017). The Portland African American Leadership Forum’s (PAALF) People’s Plan (2017) reported that gentrification and displacement have adversely affected health outcomes for Black community members. Due to repeated displacement, or Root Shock, many community members live with trauma. Lack of housing security and continuity can also have deep, lasting impacts on children’s physical, emotional, and cognitive development, including poorer mental health and educational outcomes. All of these factors combined serve to create barriers to well-being and wealth building.

4.4.2 Indigenous Nations & Residents in Oregon

Similar to the ways Black communities were actively prevented from building wealth, Indigenous communities in the United States endured the devastating impact of colonization, dispossession, and displacement. Colonization and the treaties which upheld it disrupted the thriving economies and marketplaces already in existence, undermined the autonomy of Indigenous people, and stripped them of their rights to their lands. Treaties and other legal agreements were used to rob Indigenous people of their lands and rights; these legal frameworks are especially relevant to the racial wealth gap because “beyond control over the land itself, the treaties lay the groundwork for obligations requiring the federal government to provide adequate resources to support health care, safety, and education — which have never been fulfilled” (Brown 2020: para 3).

Important life-sustaining bonds and connections with the land were severed for the Indigenous peoples of Oregon “who were increasingly urbanized as a result of the 1954 Western Oregon Termination Act and the Indian Relocation Act of 1956” (Coleman 2019). As described by *Oregon Encyclopedia*, “the revocation of the federal government’s responsibility to protect Indian rights under treaty agreements made Indian property holders vulnerable to opportunists” (Fixico 2021). While all the first peoples of Oregon were affected by these policies, the Klamath Tribes, which consist of Klamath - Modoc - Yahooskin Tribes and whose ancestral homeland stretches from the desert plateaus of Central Oregon to the forests of Northern California (Ethnohistory Research, LLC and Lewis 2018; Chinu n.d.), were especially devastated. For millennia, these nations lived as conservationists of the land. This practice is a tenant of Klamath and other tribes' conception of wealth; it is about respecting what the land gives rather than owning and capitalizing its resources. Although this was the source of Klamath survival, it is not aligned with western settler-colonial perspectives of wealth. Before treaties were proposed, the United States government began doling out land to white colonizers despite Indigenous communities living there (Cain 2017). This entitlement created conflict that cost many lives. Out of fear of losing more community members to white militias, Indigenous nations in Oregon began signing treaties that would displace them from their lands. The Grand Ronde nations were the first to be displaced in 1857, and were forced to walk 263 miles to the Oregon coast, a journey in which many community members and elders lost their lives (Otto 2019). In Klamath, a treaty was signed in 1864 to protect the tribes’ hunting and fishing land and ceded nearly 22 million acres to the US government (The Klamath Tribes n.d.).

Despite being forced into agreements with the US government, the Klamath Tribes were able to prosper and in the 1950’s were the second wealthiest Tribal Nation in the country and completely self-sufficient (Chinu n.d.; Robbins 2002). The Klamath Tribes amassed economic prosperity through their logging mills and that wealth was given back to tribal citizens by establishing welfare programs (Chinu n.d.). However, after World War II the United States broke its treaty and violated Tribal sovereignty. In 1954 the Klamath Termination Act removed the Klamath Tribes' hold on their land with abysmal consequences. Klamath Tribes were forced to liquidate their assets and sell their land to private companies (Chinu n.d.). The loss of land directly impacted the Klamath peoples' economic, physical, and spiritual livelihoods. In less than a decade the richest Tribal Nation had the highest rates of poverty in the state, the community's health plummeted, young Indigenous people died in droves, and their children's educational opportunities waned (Robbins 2002) (Table 2).

Table 2. The Impact of Termination for Klamath Tribal Nations

Klamath Termination Act, 1954	
Before Termination	**After Termination (1966-1980)**
Fewer than 5 tribal members on public assistance.	28% of the Klamath people died by the age of 25, and 52% died by the age of 40.
Tribal member income was 93% of that earned by non-Indians.	40% of all deaths were alcohol-related.
Tribes provided jobs, per-capita payments from timber sales, medical services, land for homes, and revolving loans.	Infant mortality was 2.5 times the Oregon statewide average, and 70 percent of adults did not complete high school.
Klamath Tribes were one of the wealthiest tribes in the nation.	Tribal poverty levels were three times that of their non-Indian neighbors.

Source: Chiu, Peggy. n.d. *STEWARDS OF THEIR LANDS: A Case Study of the Klamath Tribes, Oregon*.
Ethnohistory Research, LLC, and David G. Lewis. 2018. "A Short History of Oregon Tribes in the Contemporary Era." *Ndnhistoryresearch.Com*. Retrieved September 2, 2021 (https://ndnhistoryresearch.com/2018/08/09/a-short-history-of-oregon-tribes-in-the-contemporary-era/

The rich timberlands where the Klamath Tribe once made their home were appraised and sold to white settlers who made their fortunes from it. Treaties, termination, and relocation have left Indigenous people with little opportunity to build and maintain wealth when their first priority has always been surviving in a country that was created with the intention of erasing them. The Klamath Tribe was recognized by the Oregon government in 1986, but they are still denied ownership of their landbase (Klamath Tribes n.d.). The legacy of such laws are felt today for the Indigenous communities who never had the chance to build their own monetary wealth because their land was stolen.

4.4.3 Latine Oregonians

The slogan "we didn't cross the borders, the borders crossed us" has long been "a rallying cry of the Mexican/Chicanx immigrant rights movements in the United States" (McCaughan 2020:6). Before the culmination of the Mexican-American war in 1848, Mexico extended up to Oregon's current southern state border. Following the war and the Treaty of Guadalupe Hidalgo, Mexico annexed over half of its territory to the United States (ibid). The issue of borders, and by extension immigration policy, is central to the story of Latine Oregonians, as is the fraught relationship between the need for labor and the long-held desire to keep Oregon a “white-only” state.

Oregon has relied on Latine labor for decades, while also participating in campaigns to deport Latine communities especially during times of national economic hardship. In the late nineteenth and early twentieth centuries, Mexican and Mexican-American labor was critical for the expansion of the railroads. “Just before World War I, the Oregon Railroad and Navigation Company, the Union Pacific Railroad, and the Oregon Short Line recruited Mexicans to work as laborers” (Garcia 2021: para 7). U.S. involvement in World War I, and the resulting agricultural and industrial labor shortages, meant that Oregon needed to recruit more workers, and thousands of Mexicans migrated to the state (ibid). By the 1930s, the Great Depression catalyzed a wave of nativist and anti-immigrant sentiment and policies; the most devastating for the Latine community was the policy of deportation. During this period, nationally, “500,000 Mexicans, 250,000 of them U.S. citizens of Mexican ancestry, were either forced to leave the country or were deported to Mexico" (ibid: para 10). In Oregon, many Latine families retreated to rural parts of the state to avoid deportation roundups (ibid).

This cycle would be repeated during World War II, when, again, Mexicans were recruited as workers to meet wartime labor shortages via the Bracero Program, and “Oregon imported over 15,000 laborers from Mexico between 1942 and 1947” (ibid: para 15) as farm and railroad workers. Many braceros settled in Oregon, but, because of their undocumented status, many were targets of yet another deportation campaign called “Operation Wetback.” The city of Woodburn, Oregon, in particular experienced some of the highest number of raids during this time: “the city of Woodburn and other places where Mexican workers live were punctuated by the presence of sweeps through local farms and roads that picked up undocumented workers” (ibid: para 14). Over the following decades, Oregon has seen a steady rise of Latine communities establishing roots in the state. The 1980s in particular saw a rise in immigrants from Central America, and Guatemala especially, settling in Oregon to flee civil war and political violence and seek economic stability (Stephan 2017). However, the continuous stigmatization of Latine communities and disruptions rooted in racism, xenophobia, and harsh immigration policy have, over decades, created economic insecurity. Unsurprisingly, economic insecurity of entire communities makes them desirable as workers, because employers can exploit their labor with little fear of being met with resistance or collective workplace organizing. Without workers’ rights and immigration reforms that clear a path to citizenship, many Latine communities in Oregon will be excluded from the economic stability needed to build wealth.

5.0 OTHER CONTRIBUTORS TO THE RACIAL WEALTH GAP

Disparities in generational ability to overcome poverty significantly exacerbate the racial wealth gap as communities of color are working with less capital from which to build wealth. Education and health disparities, the school-to-prison pipeline, and location along a rural-urban spectrum also lead to fewer opportunities for BIL people to build wealth for themselves, their families, and their communities. These contributors to the racial wealth gap are discussed in the following sections.

5.1 EDUCATION DISPARITIES

Education is considered to be one pathway to gaining access to wealth building tools. However, data shows that attending college is not enough to close the racial wealth gap. “Black families whose heads graduated from college have about 33 percent less wealth than white families whose heads dropped out of high school” (Hamilton et al. 2015:3). When comparing similar educational attainment levels, the disparities are even more stark. Black and Latine adults under the age of 55 who have completed at least some college have median wealth of $11,100 and $20,500, respectively, while their white counterparts have median wealth of $$79,600 (Traub et al. 2017).

In fact, rather than educational attainment being a predictor of increased wealth for BIL communities, recent research demonstrates how a household’s wealth status is a better predictor of educational attainment (Pfeffer 2018). A family that already has higher wealth levels is more likely to: (1) have access to better funded and higher quality public schools due to the public education system’s reliance property taxes; (2) not depend on debt as a means to pay for college and related expenses; and (3) have a safety net to protect against unexpected costs. All of these factors are critical for ensuring access to college and persistence throughout college. In addition, with the continued increase of college tuition and other related costs, many BIL people who do attend college accrue significant amounts of student loan debt, which is one of the most widespread wealth stripping mechanisms. For instance, four years after graduation, the average Black college graduate owes $52,726, compared to $28,006 for the average white college graduate (Scott-Clayton and Li 2016).

In Oregon, disparities between white and BIL students are present along the lines of graduation rates, income potential, and academic achievement (often due to BIL students experiencing harsher disciplinary actions—more details in the school-to-prison pipeline section). Oregon Department of Education (OED) data reports that white students are 4-17% more likely to graduate than BIL students (4 year cohort graduation rate 2019-2020) and white boys are 2-4% less likely to drop out than BIL boys (OED 2019). These disparities are actually higher than reported due to the undercounts of Black students and other students of color in OED data (ECONorthwest 2020).

The impact of these unequal realities for students impacts their access to higher education and higher incomes. Even when they do attain a college education, BIL college graduates still earn significantly less than their white and Asian counterparts with the same level of education (Figure 17). Research and analysis from Oregon labor economist Erik Knoder finds that "white Oregonians who hold at least a bachelor's degree earn nearly $3,000 more than Oregonians of all races with a similar education. African Americans and Hispanics with at least a four-year degree earn much less [$8,500 to $10,000] than the typical Oregonian with a comparable education" (Rogoway 2020). Furthermore, it takes higher educational attainment (bachelors or higher) on the part of BIL Oregonians to bridge the racial wealth gap, which is likely to result in the accumulation of more student debt by BIPOC Oregonians (Kimmell & Martin 2015). The gender of the graduate also impacts their earnings as this analysis also found that "men with only a high school degree make nearly $6,000 more each year than a better-educated woman who has attended college but doesn't have a four-year degree" (Rogoway 2020) and that "Oregon men who graduated from college but didn't earn an advanced degree actually out-earn women with an advanced degree by more than $1,000 a year"(Rogoway 2020). Finally, even when income among all students is equalized, poor white students, in comparison to poor students of color, are achieving higher grades and reading scores (Sinkey and Curry-Stevens 2015).

Figure 17. Effect of race on income of Oregonians with college degrees

White Oregonians who hold at least a bachelor's degree earn nearly $3,000 more than Oregonians of all races with a similar education. African Americans and Hispanics with at least a four-year degree earn much less than the typical Oregonian with a comparable education.

Source: Rogoway, Mike. 2020. "Oregon Insight: Education Produces a Big Wage Boost – but Race and Gender Can Matter as Much, or More." *The Oregonian*, February 2.

Achievement disparities are caused by multiple factors including higher rates of harsh disciplinary actions experienced by BIL students (more on this in the next section) and lack of BIL representation among teachers. One of the consequences of lack of representation is that white teachers are less likely to, for instance, recognize Black students who excel academically, with one study finding that Black students were 54% less likely than white students to be recommended for gifted-education programs (Weir 2016).

Education disparities between urban and rural communities have been documented by state government agencies and organizations (Ford Family Foundation & Oregon State University 2020). However, racial inequity in education exists in multiple districts regardless of rural or urban characteristics. ProPublica's Miseducation database tracks racial disparities between Black, Hispanic students and white students by district (Groeger, Waldman, & Eads n.d.). In Oregon, Black students have unequal access to education compared to white students in urban areas. In the Portland metro area, Black students can be more than three grades behind their white counterparts. The achievement gap for Latine students is just as apparent and more widespread across the state. Latine students in Portland, Salem, and Malheur county are 2-3 grades behind white students. The mechanisms of this achievement gap between BIPOC and white students becomes clearer when accounting for discipline rates (Groeger, Waldman, & Eads n.d.). These data and disparities are explored in the next section.

5.2 SCHOOL-TO-PRISON PIPELINE

Disciplinary actions, such as expulsion, suspension, zero-tolerance policies or any action that punishes students by limiting their class time have been found to have academic consequences for students (Noltemeyer & Mcloughlin 2010; Weisburst 2019). Methods intended to protect students have instead been used to exclude and remove them from the classroom and inhibit their education (Jones et al. 2018). A meta-analysis of studies spanning the nation found the rate of suspension increased drop-out rates and decreased academic achievement among students (Noltemeyer, Ward, & Mcloughlin 2015). The burden of these educational consequences disproportionally affects Black, Indigenous, and Latine, especially those with disabilities (Losen, Hodson, Ee & Martinez, 2014; Oregon Disability Rights, 2020). The Oregon Department of Education (ODE) state-wide report card reports that 10% of Black students, 9.2% of Native American, and 5.5% of Hispanic students had one or more disciplinary incidents in 2019-20 (ODE 2019). Canceling in-person school days due to COVID-19 means that those numbers are lower, with past years of discipline ranging from 2-5% higher for BIL Oregonians. In Multnomah County, "School administrators are much more likely to discipline Black youth with suspensions and expulsions – at levels more than double those of Whites. This pattern exists despite studies that reveal Black children do not misbehave more frequently than White students” (Bates and Curry-Stevens 2014:3). The *Miseducation* database also confirms the disproportionate rates of punishment experienced by Black and Latine students in Oregon (Groeger Waldman, & Eads n.d.). In some rural and urban areas Black students are more than 10 times more likely to face suspension even in districts where they make up less than 1% of the student population (ibid). Disciplinary actions such as suspensions and expulsions not only push students out of the classroom, but also place students in detention centers (Skiba et al. 2014).

These disparities in discipline contribute to the prison industrial complex and the school-to-prison-pipeline, which describes the process in which students of color are pushed out of public school into the criminal and legal system (American Bar Association 2018). In Multnomah County, according to Bates and Curry, “Black youth are 6 1⁄2 times more likely to be charged with a crime than white youth, and 33% more likely to be held in detention. A white youth found guilty stands a one-in-ten chance of receiving a custodial sentence while a Black youth faces a one-in-four chance” (2014:3). Once in the criminal and legal system, BIL Oregonians, especially Black Oregonians, tend to receive harsher punishments for crimes also committed by white Oregonians. Despite making up less than two percent of Oregon’s population *and* the fact that illicit drug use is roughly the same across racial and ethnic groups, “[in 2015], 1,642 people had their first felony conviction in Oregon for drug possession, with African Americans convicted at a rate nearly twice that of white people” (Crombie 2016: para 14) and “Native Americans were convicted of felony drug possession last year at five times the rate of whites, the highest of any racial or ethnic group. They also were convicted of a first felony for drug possession at four times the rate of white people” (Crombie 2016: para 7). In 2010, per 100,000 people, Black (3% n=3,195), Indigenous (1% n=1,316), and Latine (.008% n=809) Oregonians were all more likely to be incarcerated than white (.005% n=506) Oregonians (Sakala 2014).

Since BIL youth and adults are more likely to be in contact with the legal system, they are also more burdened by legal fees and fines. A 2019 report on court fees and fines found that half of families with a convicted member can not pay the court fees and two-thirds have difficulty paying for basic needs (Menedez et al. 2019). The same report also found states have been depending more on the revenue from these fees and fines to fund basic state operations. Not only are BIL individuals' wealth being stripped, but state governments are supplementing their state budget on over-policing and over-incarceration. In a briefing report by the United States Commission on Civil Rights (2017), Ferguson Missouri was used as an example of revenue practices that strip wealth from Black communities. The report highlighted that in 2012 the city acquired 13% of its revenue from court fees and fines compared to a similar sized city that collected 3% in court fees and fines. A national study cited in the report found that Ferguson along with other cities and towns where 10% or more of their revenue depended on court fees and fines had a large Black population. In fact, among the municipalities studied, there was a positive correlation between reliance on court fees and fines and the proportion of Black residents, while there was no correlation between poverty and reliance on court fees and fines (Figure 11 in the report). In other words, more Black residents means a higher amount of and reliance on court fees and fines.

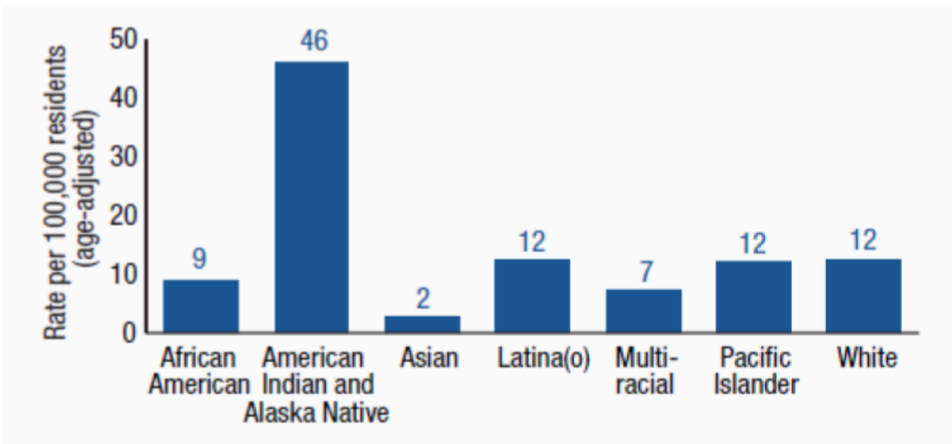
Having a criminal record makes it extremely difficult to build wealth as it creates more barriers to finding employment and finding an employer that pays a living wage. Most states have occupational licenses that require employees to meet certain criteria for educational/training, testing and criminal histories depending on the position. Many states bar those with criminal histories from working, and across the nation there are 15,000 provisional laws that limit employment to those with a criminal record (Umez and Pirius 2018). Removal from society through incarceration, for any amount of time, is also often the removal of a source of income and the loss of large sums of money that go towards paying for legal defense fees, communication while in prison, visits to and from prison, and access to basic necessities. After exiting, this also means massive supervision fees and restitution after incarceration. These costs prevent those with experiences of incarceration, and their families, from building wealth.

Longitudinal research has indicated that incarceration decreases individuals' estimates of wealth to nearly zero regardless of race, but after 22 or more years since their last incarceration, white individuals accumulate wealth far faster than Black and Latine individuals (Zaw, Hamilton, & Darity 2016). Furthermore, the study found that never incarcerated Black people still had less wealth than previously incarcerated white people (Zaw, Hamilton, & Darity, 2016). “Despite having more holdings on assets and less debt, never-incarcerated blacks and ever incarcerated whites are not that different in terms of average FICO credit scores. Their difference is 77 points on average” (Darity Jr. et. al. 2020). Truly assessing this information requires one to recognize that the willingness of institutions to lend to Black, Latine and Native American individuals is less likely than their willingness to lend to incarcerated white individuals.

5.3 HEALTH BURDEN

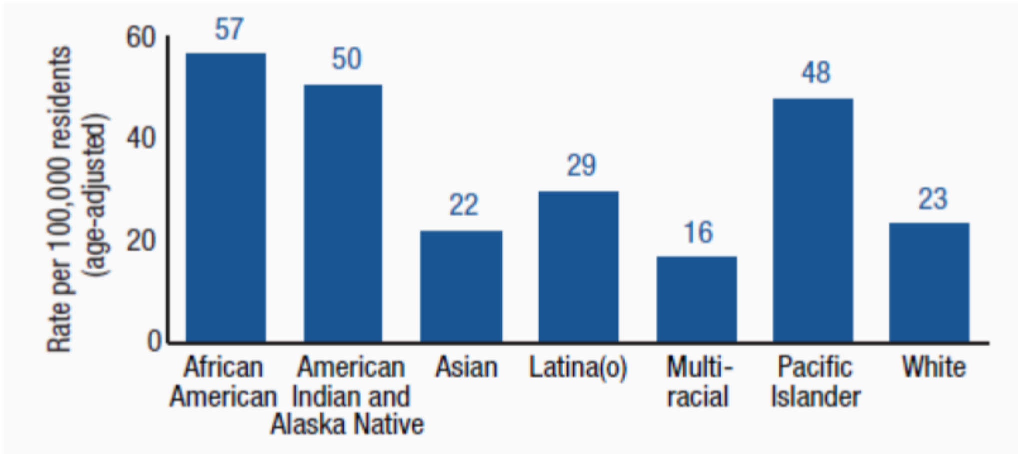
Disparities in income, employment, and education are not only contributors to the racial wealth gap, but they are also factors that determine communities’ health and health burden. Conditions like socio-economics status, employment, housing insecurity, food insecurity and education are defined as social determinants of health (SDH); these factors are estimated to account for 30- 55% of health outcomes, and this makes them a critical part of understanding health inequities (World Health Organization n.d.). When considering the inequalities BIL and other communities of color have in these areas, it is no wonder why communities of color are so burdened by negative health outcomes. For instance, for adults over the age of 18, “hypertension prevalence was higher among non-Hispanic black (57.1%) than non-Hispanic white (43.6%) or Hispanic (43.7%) adults" (Ostchega et al. 2020). For Native American and Alaskan Natives, death rates from diabetes, cardiac disease, chronic liver disease and cirrhosis have been 40% higher than the general public (Sarche and Spicer 2008). In Oregon, BIL communities rated their health lower than white Oregoninans, but the disparity is more pronounced for Latine communities: 67% rated their health as excellent or good compared to 84% of white Oregonians (Oregon Health Authority 2018). Further, the burden of chronic disease like diabetes and liver disease are still high among Black and Indigenous communities (Figure 18 and 19).

Figure 18. Chronic liver disease deaths by race and ethnicity, Oregon



Sources: Oregon Health Authority (OHA). 2018. "Oregon's State Health Assessment." *Oregon.Gov*. Retrieved July 28, 2021 ((https://www.oregon.gov/oha/PH/ABOUT/Documents/sha/state-health-assessment-full-report.pdf).

Figure 19. Diabetes deaths by race and ethnicity, Oregon



Sources: Oregon Health Authority (OHA). 2018. "Oregon's State Health Assessment." *Oregon.Gov*. Retrieved July 28, 2021 ((https://www.oregon.gov/oha/PH/ABOUT/Documents/sha/state-health-assessment-full-report.pdf).

COVID-19 has demonstrated how social determinants of health are connected to wealth and to the conditions needed to build wealth. The pandemic left many immunocompromised workers unable to work without risking their lives, since a disproportionate number of their jobs require working outside the home, and many workers lost their jobs during the pandemic as well. Families out of work are struggling to stay afloat. According to the Urban Institute, "as of mid-December, 24.4% of Black households and 19.9% of Latine households with mortgages were behind on their payments, compared with 8.3% of white homeowners" (Kijakazi et al. 2021). Experiencing higher rates of unemployment during the pandemic, Black and Latine families are more likely to experience the consequences of unemployment.

> These families have experienced higher rates of job loss, of using savings or selling assets to meet spending needs, and of risking exposure through in-person work or public transit. The pandemic itself has also hit Black and Latine communities harder, as they are more likely to contract, be hospitalized for, and die from COVID-19. These families are also more likely to not have health insurance, which means that contracting COVID-19 could force them to deplete their savings, incur debt, or forgo medical care. And families who suffer the death of a member face the additional burden of funeral expenses. (Kijakazi, et al. 2021)

The amount of wealth a household possesses directly impacts how they are able to respond to the pandemic. A family living paycheck to paycheck is going to feel the effects of job loss more severely than a family that has savings and/or inherited wealth to rely on when they are suddenly put out of work. Prior to job loss, the expectation to socially distance is difficult if not impossible for many communities of color that do not have the flexibility to work from home; only 16 percent of Latine workers and 20 percent of Black workers have the ability to work from home in comparison to 30 percent of white workers (Solomon and Hamilton 2020).

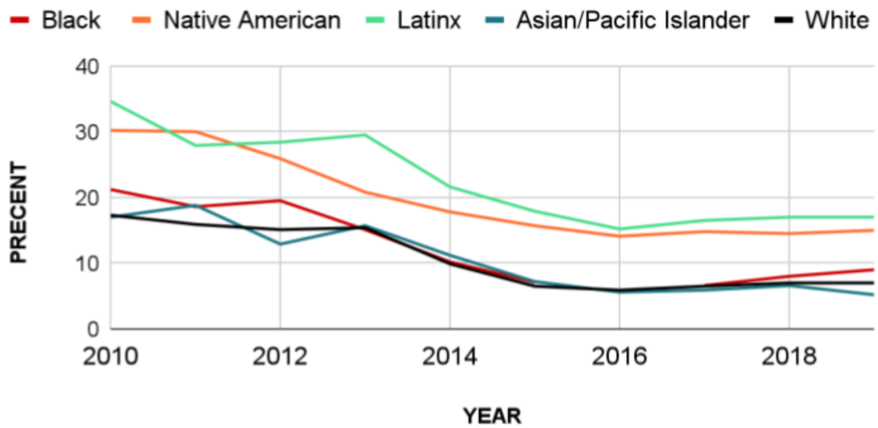
The environmental crisis that is unfolding magnifies the health burden felt by BIPOC communities. Racist housing policies have placed Black, Indigenous, and Latine communities in proximity to environmental hazards, polluting industry, and emissions from high traffic areas. More than half of the people who live close to hazardous waste are BIPOC (Newkirk II 2017). African Americans are 75% more likely than white people to live in “fence-line” communities (areas near commercial facilities that produce noise, odor, traffic, or emissions that directly affect the population) (Patnaik et. al. 2020). With high exposure and high vulnerability, the geographic areas where climate change has produced its greatest impacts with flooding, hurricanes, earthquakes, storms, and other natural phenomena, are areas where communities of color are highly concentrated and less likely to have the economic savings to respond to the impact of this crisis (Rudolph, et al. 2018). More privileged residents have been found to actually benefit financially after natural disasters: “To restore damaged homes, buildings, and infrastructure, government assistance and insurance payouts allocate funds depending on the value of the property. Thus, the higher the property’s value, the more money to restore it. However, property values are not merely determined by the structures themselves. Instead, the value of property is tightly tied to neighborhood racial composition” (Howell and Elliott 2019: para 10). In addition, the climate gap “means that communities of color and the poor will pay more for basic necessities” (Morello-Frocsch et al. 2009); in other words, these are families having to spend “25 percent of their entire income on just food, electricity and water—much more than most Americans” (Morello-Frocsch et al. 2009:5). These communities are also employed at higher rates by industries that are manufacturing and producing major pollutants, leading to higher prevalence of worse health outcomes (Rudolph et al. 2018).

Furthermore, health disparities among racially diverse populations begin before they are born and in early childhood. Prior too and especially during the COVID-19 pandemic, a surge in anti-abortion and pro-life legislation across many states and the federal government has proven to be another limitation to the build wealth and perpetuate income inequality (Mhatre 2019). For women of color (surveying Black, Latine, Asian-American, and Pacific Islander women), 65% agree that women should have complete authority over how to make decision about their bodies and lives (SKD Knickerbocker 2019); yet, the Hyde Amendment bans federal funding for those on Medicaid for abortion care, and similar funding restrictions through the Indian Health Service for Indigenous women (Mhatre 2019). As higher mortality rates make the birth of a child harder for women of color, especially for Black and Indigenous people and their children. Black and Indigenous infant mortality is twice as high as white infant mortality (Oregon Health Authority 2018). The health and economic burden of a child that a young woman or family is not prepared for further perpetuates the inability to build wealth.

Racism is a consistent stressor for BIPOC people. Research has found that the stress from daily experiences of racism takes a toll on the body and the mind. Previous research has indicated that those who had higher perceived discrimination had worse health outcomes such as depression and perceived physical health (Flores et al. 2008; Anderson 2012). Racism and white supremacy harms the individual internally as well as externally and contributes to the ever present health burden for BIPOC individuals. The relationship between health disparity among BIPOC individuals and financial struggle is cyclical. Living with and managing chronic health conditions is expensive, meaning many BIPOC people are unable to afford the health impacts of financial hardships and daily racism. An American Psychological Association (APA) study found that health care was a major cause of stress for Americans whether or not they would be able to afford medical care in the future (APA 2019). The APA found that 65% of Latine, 55% of Black, and 52% of Indigenous folks and 50% of white Americans feared that they would not be able to pay for medical care in the future. Financial hardship is so damaging to one's health because the stressor is constantly present. A systematic review studying indebtedness effect on health found that debt deteriorated health and was linked to poorer self rated health, and suicidal ideation and behavior (Turune & Hillamo 2014).

Stress from financial hardship and negative health are closely connected, especially in the United States where having good health and health care is an expensive endeavor that many Americans cannot afford. Herman, Rissi, and Walsh (2011) found that among Arizona residents, lack of insurance and present medical debt were predictors in whether participants delayed their medical care and medical debt alone predicted whether participants would forgo their medication. Based on the Survey of Income and Program Participation (SIPP), in the US, 19% of households have medical debt and the rate of medical debt is higher for those with dependents (Bennett et al. 2021). Black households currently have the highest share of medical debt compared to white, Asian, or Latine households (ibid). In Oregon, 18% of BIPOC people in Oregon do not have medical insurance compared to 8% of white individuals (Ratcliffe et al. 2017). Oregon has taken steps to address the racial gap in medical debt and health inequity by changing the policies surrounding debt longevity and providing more comprehensive and affordable options for care, including implementing a statute of limitations on medical debt collection and establishing Coordinated Care Organizations (CCOs) (Gentzler, 2019; McConnell et al. 2018). These steps have lessened the burden of medical debt, but the gap between BIPOC people and white communities in terms of insurance coverage persists (see Figure 20).

Figure 20. Rate of uninsured non-elderly Oregonians from 2010-2019



Source: Kaiser Family Foundation (KFF). 2020. "Uninsured Rates for the Nonelderly by Race/Ethnicity." *Kff.Org*. Retrieved September 9, 2021 (https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-by-raceethnicity/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D).

5.4 RURAL & URBAN DISPARITIES IN OREGON

Across all racial and ethnic groups, rural populations do not receive the same employment opportunities compared to urban populations. Unemployment has been typically higher in rural areas compared to urban ones (Brian et al. 2017). Among employed rural residents, a greater percentage (9.8%) are in poverty compared to 6.8% in urban areas (Thiede et al. 2017). The majority of economic growth since the 2008 Great Recession has been in urban areas, whereas rural areas have not recovered (Thiede et al. 2017). These national-level trends are also reflected in Oregon; rural communities face a higher percentage of financial hardship (48%) than urban communities (43%) (Ford Family Foundation and Oregon State University 2020) and per capita personal income as a share of the U.S. average in 2018 was much higher in Oregon metro areas (97%) compared to Oregon non-metro areas (77%) (U.S. Bureau of Economic Analysis—see slide 32 in Appendix B). Additionally, urban communities have a job growth rate that is nearly twice as high as rural areas (ibid). However, this does not mean BIPOC communities in urban areas do not have economic struggles. Although job growth is high in urban areas, workplace discrimination still has profoundly negative impacts on BIPOC health and retention (Ethel & Chopik 2020; McKay et al. 2007). The WorkPlace Retention project in Portland found that 74% of BIPOC employees experienced some kind of dicrimination at work (Partners in Diversity 2019).

Although Portland has many job opportunities, the overwhelming continuation of racial discrimination still contributes to the wealth gap.

What continues to be missing from Oregon specific data is the economic experience of BIPOC individuals in rural areas. Rural areas are stereotyped as monolithic white communities. Although rural areas do not share the same levels of diversity as metropolitan areas, BIPOC communities exist, and have existed for generations, in rural areas. Indigenous Oregonians are represented in many rural counties, while Black Oregonians are more present in urban areas (National Equity Atlas 2021; Ford Family Foundation and Oregon State University 2020). Latine Oregonians are well represented in rural and urban counties and make up the largest non-white population in rural and urban areas, with the largest population growth being seen in rural Eastern Oregon, which includes many rural counties (Romero 2021).

In the southern United States, BIL rural populations are greatly impacted by regional and racial disparities (Lichter 2012). A recent report on economic mobility found that those in rural communities in southern Appalachia and Louisiana have the lowest rate of economic mobility in the country. Community members in these southern rural areas are 40% Black and grapple with a high rate of unemployment (Ajilore & Willingham 2020). The same report found that areas with high Latine and Indigenous populations have considerably lower rates of economic mobility as well (ibid). Nationally, rural communities have the highest percentage of those with disabilities, which is an intersectional identity that drastically impacts one's economic situation. The rate of poverty among those with a disability is 27% compared to 12% for those without a disability (Goodman et al. n.d.). In Oregon, rural communities share many of these diverse experiences (American Leadership Forum of Oregon n.d.).

The economic realities of rural dwellers are very similar to BIPOC communities. National and Oregon data suggests that those in rural and BIPOC communities have disparities in educational opportunities (American Leadership Forum of Oregon n.d.; OED 2019). Educational outcomes are highly correlated with poverty rates in communities, both of which are present in rural communities and urban BIPOC communities (Patterson 2015). Additionally, the presence of discrimination economically impacts both of urban dwelling BIPOC and rural communities.

A limitation of urban and rural data in Oregon is that the rural-urban dichotomy does not accurately describe community experiences. Scholars have found that when rural and urban areas are recategorized, a different and more nuanced story emerges. Ulrich and Duncan (2018) recategorized rural areas into three groups based on economic characteristics: 1) natural amenities 2) areas under profound demographic/economic transitions and 3) chronically poor areas. Although, nationally, rural areas are considered economically disadvantaged, Ulrich & Duncan found that some rural areas are still prosperous and each category have different strengths and challenges not shown by other studies. Golding and Winkler's (2020) study on exurban, suburban, rural and urban economic characteristics found that the divide between rural and urban areas is more complex than a dichotomized urban-rural analysis suggests. Forgoing the rural and urban dichotomy is becoming increasingly important as we enter a new era of economic migration. “White flight” is occuring again, but this time wealthy white individuals are moving back to city centers and displacing BIPOC communities (National Low Income Housing Coalition n.d.). This is very visible in Portland as BIPOC communities get further and further away from the city centers that they once inhabited (Figure 14). Furthermore, the pandemic has witnessed more affluent white people moving to rural areas, as work-from-home routines have enabled more flexibility in residential locations.

The lack of Oregon data on diverse rural experiences is a limitation, but it does demonstrate the need for new opportunities for more community based knowledge on the racial wealth gap that can take into account the diversity of regional experiences specific to Oregon.

6.0 INSTITUTIONAL BETRAYAL & MAINTAINING THE RACIAL WEALTH GAP

This literature review has illustrated how systems, and the laws and policies that support them, have created and continue to shape the racial wealth gap. In this section, we hone in on how institutions – for instance, philanthropy, government, and major financial institutions – remain complicit in the persistence of the racial wealth gap. We draw on the term “institutional betrayal,” coined by Jennifer Freyd, to frame how institutional inaction and harm has continued to diminish trust in institutions, especially from BIPOC communities. According to Freyd, the term “institutional betrayal” describes how institutional inaction can intensify the trauma experienced by survivors of domestic violence when the institutions they interact with fail them (Smith & Freyd 2014). “Institutional betrayal refers to wrongdoings perpetrated by an institution upon individuals dependent on that institution…Including failure to prevent or respond supportively to wrongdoings by individuals committed within the context of the institution” (Freyd n.d.).

Regarding BIPOC communities and wealth, institutional betrayal goes a step further; not only are BIPOC communities betrayed by institutions' inaction in addressing the wealth gap, but those same institutions continue to support and promote intentional mechanisms of exclusion (e.g., tax credits for the wealthy) and predatory mechanisms of disenfranchisement (e.g., subprime lending). Institutional support for wealth stripping is not new; Black peoples' experience with financial institutions has been particularly devastating, as illustrated by the rise and fall of the Freedmen’s Savings Bank (see page 23 of the literature review). The bank, which held thousands of deposits from Black individuals and families, failed due to risky and irresponsible investments made by the bank's white management. "More than half of accumulated [B]lack wealth disappeared through the mismanagement of the Freedmen's Savings Bank" (Baradaran 2017:30). ***The loss of Black wealth due to this one instance of institutional betrayal is equivalent in today's purchasing power to just under $1 Billion***. This failure not only resulted in economic ruin for thousands of Black households, but eroded or flat out ended any trust that Black communities had in the government. Continuous betrayal breeds a tremendous amount of distrust of institutions by BIPOC community members. This distrust is warranted, as time and time again institutions have sacrificed the wellbeing of people of color for their own monetary and political profit, and prioritized their own agendas and solutions.

When it comes to philanthropy's betrayal of BIPOC communities, there is a much needed discussion to be had about priorities, internal decision-making processes, and representation. For instance, during and after the 2020 uprisings for racial justice following the murder of George Floyd, it was presumed that funding significantly increased for racial equity and racial justice organizations and movement building efforts. However, as of summer 2021, "more than $8.8 billion in pledges [were made] for racial equity work in 2020, but only about $3.4 billion in actual grants [were] awarded by foundations and corporations" (Cyril et al. 2021:6). This kind of dominant narrative convinces funders that racial equity and racial justice work is well-funded and that future funding can remain stagnant or even be reduced. This is a dangerous narrative. The reality is that "for every dollar awarded by foundations for work in the United States in 2018, only 6 cents went to racial equity work and only a penny went to racial justice work" (ibid:5).

In addition, critics of philanthropy have noted that those who are funding, on boards, and making decisions at foundations are majority white. Among U.S. foundations, 90% of board members are white (McCormick 2021). With this lack of representation, grantmaking also tends to support majority white organizations, as very few grants (8%) actually go to communities of color and even less (1%) fund Indigenous communities (Villanueva 2019). Furthermore, funding decisions are often made based on assessments of risk. Communities of color are seen as "risky" investments. This creates a context whereby BIPOC communities have to prove that they are worthy of investment by, for instance, attending classes and training on financial literacy. Further, requirements to provide certain documentation serves to exclude many community members from accessing the funding they need. Rather than relying on racist assumptions of "risk," which keeps BIPOC communities economically disadvantaged, significant amounts of preferably unrestricted or flexible capital needs to be moved into communities of color and more direct funding needs to be accessible to Black, Indigenous, and Latine communities.

We have seen the effect of foundations not doing this; two decades ago the Ford Foundation set out to tackle the racial wealth gap and increase economic prosperity among low-income people of color. The strategies used included: asset building by offering saving incentives for low-income families; increasing access to saving accounts through advocacy and forming coalitions to encourage policymakers to enact change; encouraging BIPOC scholars and practitioners to research the mechanisms of the racial wealth gap and supporting their research. The Ford Foundation's most successful outcome was building a cohort of scholars and practitioners to do research. However, an evaluation of these programs found that Ford's strategies failed to reduce the racial wealth gap. The reason was because the Ford Foundation did not put effort into removing the structural barriers that caused the racial wealth gap and instead focused on individual skill building. Lastly, the Ford Foundation's efforts showcased that in order to enact these structural changes, policy makers need to be engaged and on-board as well (Flynn and Rakeen 2019). Policy has been a tool for growing the racial wealth gap, and in many ways policy is the key to closing it. However, a lack of representation among federal and local policy-makers and legislators creates more obstacles for addressing the racial wealth gap (Schaeffer 2021). When the faces of power look less like members of your community, the direct consequences are often manifest in lower participation by BIPOC individuals in advocacy and policy work.

Strides are being made to ensure more BIPOC participation in policy-making spaces. In Oregon, a BIPOC caucus is working to increase racial equity across the state. Additionally, there are organizations like the CAPACES Leadership Institute that are encouraging and building capacity among BIPOC Oregonians interested in municipal leadership (Mapes 2021). While this is a vital step in addressing the racial wealth gap by changing the policies that cause the gap to widen, it is a slow strategy for change. We cannot just rely on more BIPOC representation in government to expunge the nation's and Oregon’s legacies of racist policies and practices. For instance, the regressive nature of the state tax code and the vast majority of tax expenditures benefit the wealthy and disproportionately exclude people of color. What is promising is that ballot measures looking to make it more difficult to raise taxes were recently vetoed by voters in 2018 (Measure 104). BIPOC municipal leadership is an important strategy in reducing the wealth gap, but in order to accomplish this we have to address barriers in wealth accumulation in multiple sectors with community members leading the way.