Pre-Webinar Reading for 
Estate Planning & Planned Giving with a 
Social & Racial Justice Framework:
An Invitation and the Start of a Conversation

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Inequitably Applied Systems of Property Ownership, Economic Security and Mobility

Landownershipt  
Policies and Practices

New Deal Era  
Legislation

The G.I. Bill

Land Ownership Policies and Practices

Native Americans suffered from government-sanctioned theft of 1.5 billion acres and the forced relocation of approximately 100,000 Native Americans following passage of the Indian Removal Act of 1830.

About a quarter of those relocated died in the Trail of Tears from disease and violence.

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Land Ownership Policies and Practices

Black former slaves were promised “40 acres and a mule” as a form of reparation by General William Sherman's Special Field Order #15 in 1865.

These promises were reversed by President Andrew Johnson, resulting in only 5% of black families in the deep South owning land.

Photo Credits: Edward Curtis, Prairie View A & M University, CBS News, Shutterstock Archive, Toyo Miyatake, University of WA
Land Ownership Policies and Practices

- According to Ray Winbush, Director of the Institute of Urban Research, “Most black men were lynched between 1890 and 1920 because whites wanted their land.”

- According to a Propublica article, since Blacks did not trust the court system, most died without wills, causing unclear titling of land for heirs. These heirs lost in court battles over legal ownership.

- The FHA and USDA were also known for discriminatory loan practices against black farmers, which contributed to a 93% decline in farmers in the US – from 681,790 in 1940 to 45,594 in 1974.

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Land Ownership Policies and Practices

Among the Japanese Americans, their detention and relocation in internment camps resulted in uncompensated property loss that could be worth up to $3.4 billion in the 1980s according to a study done for the Commission on Wartime Relocation and Internment of Civilians.

Photo Credits: Edward Curtis, Prairie View A & M University, CBS News, Shutterstock Archive, Toyo Miyatake, University of WA

Land Ownership Policies and Practices

- Redlining – Maps identifying neighborhoods where minorities live as high risk or hazardous were used by lending institutions and the FHA to deny access to mortgage lending to Black homeowners.
- Redlining officially began with the 1934 National Housing Act, which established the Federal Housing Administration (FHA).
- Housing Covenants adopted by most Homeowners Associations creating the American suburbs in the 1950’s extended the redlining generation after generation by forbidding white homeowners to sell homes to Black families.

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The New Deal Era Legislation was designed to help Americans made desperate by the Depression. It is responsible for some of the protections we enjoy today –

- Social Security Act, which reduced poverty among the elderly and also provided unemployment insurance;
- National Labor Relations Act, which guaranteed the right to organize trade unions and engage in collective bargaining;
- Fair Labor Standards Act, which created the right to a minimum wage and overtime pay.

Unfortunately, two conditions associated with these laws marginalized the ability of blacks to benefit from them:

1. These laws excluded agricultural and domestic workers until later on (mid 1950s for Social Security) and 85% of black men and 96 percent of black women were employed in these sectors (according to sociologist Stephen Steinberg).

2. These laws were not enforced and administered at the federal level. To get this legislation passed, Roosevelt allowed the decentralized administration of these benefits, enabling state, local and county level officials to perpetuate Jim Crow practices of white racial dominance in the distribution of benefits.
The G.I. Bill: 
WWII Servicemen’s Readjustment Act of 1944

- Racial discrimination severely limited access to higher education. Historic Black Colleges and Universities only had capacity to accommodate 45% of returning black soldiers.
- Redlining made black veterans practically unable to purchase homes.
- Uneven implementation widened education, income, and wealth gap between blacks and whites.

Bundes archiv, Schick 1944

Erin Blakemore, “How the GI Bill’s Promise Was Denied to a Million Black WWII Veterans”

U.S. Tax System Since Reagan Era Favors Asset Owners vs. Wage Earners

Since the time of Reagan, taxation has shifted from more progressive taxes on wealth to more regressive taxes on income and consumption, unfairly burdening BIPOC communities that rely on wages while disproportionately benefiting whites and their wealth accumulation.

- The recent decrease in the top marginal rate from 39.6% to 37% predominantly benefited high-income whites.
- The preferential tax treatment of capital gains and dividends has also largely benefited the rich and exacerbated the wealth gap. This has contributed to the top 20% of income earners who are disproportionately white to own 92% of shareholder wealth.
U.S. Tax System Since Reagan Era Favors Asset Owners vs. Wage Earners (Continued)

- The current estate tax exemption amounts and lower estate tax rates have benefited predominantly wealthy white classes in this country, enabling them to perpetuate privilege and inequality in the next generation.
- The anti-tax movement over the last four decades, especially at the state and municipal level has lowered revenue considerably and caused a disinvestment in infrastructure, including public transit, education and neighborhood revitalization that could benefit historically neglected BIPOC communities. A good example of this is Prop 13 in California, which effectively based property taxes on the 1976 assessed values of those properties and led to a disinvestment in public schools.


The Racial Wealth Gap
Snapshots of Multigenerational Consequences
Racial Wealth Gap Indicators

Source: Asset Building Policy Network & Prosperity Now
Racial Wealth Gap in Housing

Source: Asset Building Policy Network & Prosperity Now

Racial Wealth Gap in Housing and Business Ownership

Source: Asset Building Policy Network & Prosperity Now
**Gap in Education and Returns on Educational Attainment**

- **Higher Education Attainment**
  - Adults with at least a 4-Year Degree (%)
  - White adults: 36%
  - Adults of color: 23%
  - White adults are 1.5 times more likely than adults of color to have a four-year college degree.  

- **Returns on Educational Investment**
  - Median Household Wealth given College Graduation
  - White households: $391K
  - Households of color: $92K
  - White graduates with a bachelor’s degree or higher have a median net worth 4.25x that of graduates of color.  

Source: Asset Building Policy Network & Prosperity Now

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**Gap in Income Poverty, Liquidity, and Retirement Savings**

- **Income Poverty**
  - Households of color: 20%
  - White households: 10%
  - Households of color are two times more likely to live below the federal poverty line.  

- **Liquid Asset Poverty**
  - Nearly three out of every five households of color do not have enough savings to replace income at the poverty level for three months in the event of a financial emergency.  

- **Retirement Savings**
  - Median Value of Retirement Accounts
  - White: $77K
  - Other: $52K
  - Black: $30K
  - Hispanic: $30K
  - In addition to lower median retirement account values, workers of color are less likely than White workers to have access to and participate in employer-sponsored retirement plans.  

Source: Asset Building Policy Network & Prosperity Now