The title of my address: Economic Development as if Black Women Mattered makes the assumption that there indeed is a difference between black women and the general population when it comes to all things economic. The needs, challenges, and solutions of black women require an analysis that acknowledges and understands that race and gender are inextricably linked. But more often than not, these issues are diminished and subordinated to what is believed to be the more pressing concerns of others. Even now, despite general talk about race and gender in this election, there has been shamefully little emphasis on the real problems that confront our families, yet African American women are being challenged to decide if they are voting according to their race or their gender.

If you are a Black American woman in America, you are more likely to be head of your household, raising children alone and taking care of your extended family. If you are an African American woman, you are more likely not to have much, if any savings. And if you are an African American female senior citizen, or living in an urban city or in the rural south, you are more likely to be poor. If you are a middle-income Black woman, you are more likely to be deep in debt, more likely to be facing a retirement with insufficient to no resources. Black women are more likely to be in financial pain than any other American; and that pain can even be characterized differently.

There is a television commercial that runs in Chicago, you may have seen it here…it is a white woman saying she and her husband had been investing for 20 years and she just realized that she doesn’t know what her investments are…well more than 50% of Black
women say they are struggling to make ends meet… often working two jobs and 62% of black women report having little to no money left to save for retirement once they pay their bills. A commercial for most black women’s pain is I don’t have the money to invest. I don’t have the money to buy all the groceries I need or the things my children need for school. For the vast majority of black women, talking to “Chuck” isn’t going to help.

When I was growing up we would sing a song that had this line…so wide you can’t get around it. That line is a good description of the widening wealth gap in America and I don’t see how we just get around it, I don’t see how our policy makers get around it. Not surprisingly in this country, household wealth is unevenly distributed by race. In general, blacks own less than a dime in wealth for every one dollar of wealth owned by whites…some estimates say it is six cents own by blacks to every dollar owned by whites. Regardless if it is a dime or six cents, it is a fraction of the wealth of white households…but it gets worse…Black households are two to three times more likely than white households to be without assets, zero net worth, or in net debt and negative net worth. Remember who we are talking about here, I have already made the case that women are the heads of households in the majority of black households.

As terrible as this may sound it is about to get worse. Blacks are more likely to accumulate their wealth through home equity…home ownership. Nearly two-thirds of the wealth possessed by African Americans is in the form of home equity. But with the new meltdown of the mortgage industry brought on by greed and predatory lending, a recent report by the Consumer Federation of America documents that subprime loans have gone disproportionately to women, and that Black women have the highest rates of subprime
loans when compared to all other Americans; and don’t think this is a low-income woman’s issue; it made no difference in income…upper income African American women are more than five times more likely to receive a subprime mortgage than white men. Again, race and gender are inextricably linked.

It is my argument that the wealth inequality between Black women and other Americans matters because inequality is fundamentally about issues of equity and social justice. The fact that regardless of income, black women have the highest number of subprime loans is a justice issue. The reality that over half of all loans made to black borrowers in 2005 and 2006 were subprime, and that Black women account for 49% of all Black subprime borrowers in 2006, black women are going to be devastated!

My friends at United for a Fair Economy issued a report recently that says that the subprime mortgage crisis will drain $213 billion in wealth from black Americans …the greatest loss for blacks in US history.

Marc Morial, president of the Urban League says that when black women hurt, the American family suffers. Well, this is a whole lot of pain for black women to suffer and I don’t see how it cannot spill over to whites as well. You can’t pull that much wealth out of the economy and think it will only affect black people…this loss will mean low home values, which leads to a reduced tax base for schools and other public services…which leads to fewer educated and prepared workers…which leads to lower country productivity… and well you get the picture.
Wouldn’t it be a good idea if under the election rubric of change, politicians would match resources to their rhetoric. If black women mattered, our policies that foster and promote economic development would be quite different. Too often government budgets are assumed to be a gender-neutral policy tool. But experience has shown that spending and tax cuts affect women and men differently. Although there is not much data on the effects of government budgets on black women, we know just as in the subprime case, that black women are more often disproportionately affected by economic ills and the policies and practices that cause them.

If black women mattered, there would be no question about putting an end to predatory lending and forcing real reform in the mortgage industry. I sat on the board of the federal reserve bank of Chicago for six years and was mortified at the ascenine arguments that bankers made why these practices really weren’t predatory and why there was no need for the Feds to intervene.

If economic development policy in this country was being enacted as if black women mattered, we would tax corporations based here who outsourced their jobs overseas and use that revenue to create good jobs, train and hire people within the communities who have great needs, instead of giving them tax breaks when they outsource.

If black women mattered, pay equity would be guaranteed. Black women still make less than white women for the same work. If black women mattered, all the systems failing black men…justice system, education system, the labor market would be restructured to provide equality and opportunity. Why, because when black men are unemployed and
underemployed, it shifts a disproportionate economic responsibility onto black women who then must support…everybody!

If black women mattered and their needs were taken into account, women’s organizations, particularly those focused on economic development would design and staff programs in a more realistic context…a context that stands apart from an isolated emphasis on either race or gender, or whatever is meant by the American household.

If economic development was conducted in this country as if black women mattered, we would have tax and other policies that foster greater wealth attainment, like those programs like the GI Bill and the Homestead Act. These are two cases where bills were designed specifically for white men who were in a particular situation in this country. Why not do that for black women?

One area of research that I investigated during my time here at UM as a Twink Frey Visiting Social Activist was the degree to which taking financial care of the extended family contributed to the vulnerable financial position of black women. As I am sure you know, extended family households and kin networks are more prevalent among blacks than whites and are more pronounced among female-headed households. My investigation concluded that care of the extended family did reduce black women’s wealth. Whether Black women are sending money down the street, back to the urban city from their suburban neighborhood, or down south, they too are sending money home. So I had to ask myself, why is it not given the respect that other family transfers are given. We even have a fancy name for the others…they are called remittances and they are hugely on the agenda of mainstream financial institutions.
In the book, Sending Money Home: Hispanic Remittances and Community Development, the authors call the desire by migrants in the US to remit a portion of their earning to their home countries a time-honored custom. Their countries of origin count these remittances as part of GDP…our country is counting the remittances as a financial opportunity to be made, taxed, etc.

Although we know that black women are taking care of everything from sending grandchildren, nieces and nephews to school and college, to providing down payments and deposits for housing, to keeping relative’s utilities on to covering expenses for the elderly, and covering the general welfare of siblings. But these transfers are not counted. Why is it not given the respect that these other transfers are given? Given the historical devaluation of the African American experience in this country, it is a reasonable question to ask whether or not these financial transfers are not being valued because they are part of the Black experience. In American society, only that which is measured is valued, and only that which is valued gets measured.

If economic development occurred as if black women mattered, financial and government institutions would measure these transfers and provide a fair tax treatment for households that document the financial support for extended members.

What’s the saying…there it is….oh no…whoop there it is! Well I guess people don’t say it anymore, but it seems relevant here: Economic development as if black women mattered would take into account the experiences of black women. To continue to ignore the limits of generalizations about black and white wealth disparity, generalizations about women and money, and the nuances and contexts that are psychologically relevant for
African American women, will only continue to keep Black women and their families financially and economically vulnerable.

In conclusion, if we are to change the economic landscape of our communities, we must work together and press for the appropriate and accurate analysis of the real situation of African American women. This analysis is essential for the formulation of legislation and policy, to the planning and monitoring of specific interventions.