

2017

RACIAL EQUITY

POLICY DESIGN AND ADVOCACY:

A PRIMER

ABOUT PROSPERITY NOW

Prosperity Now (formerly CFED) believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.

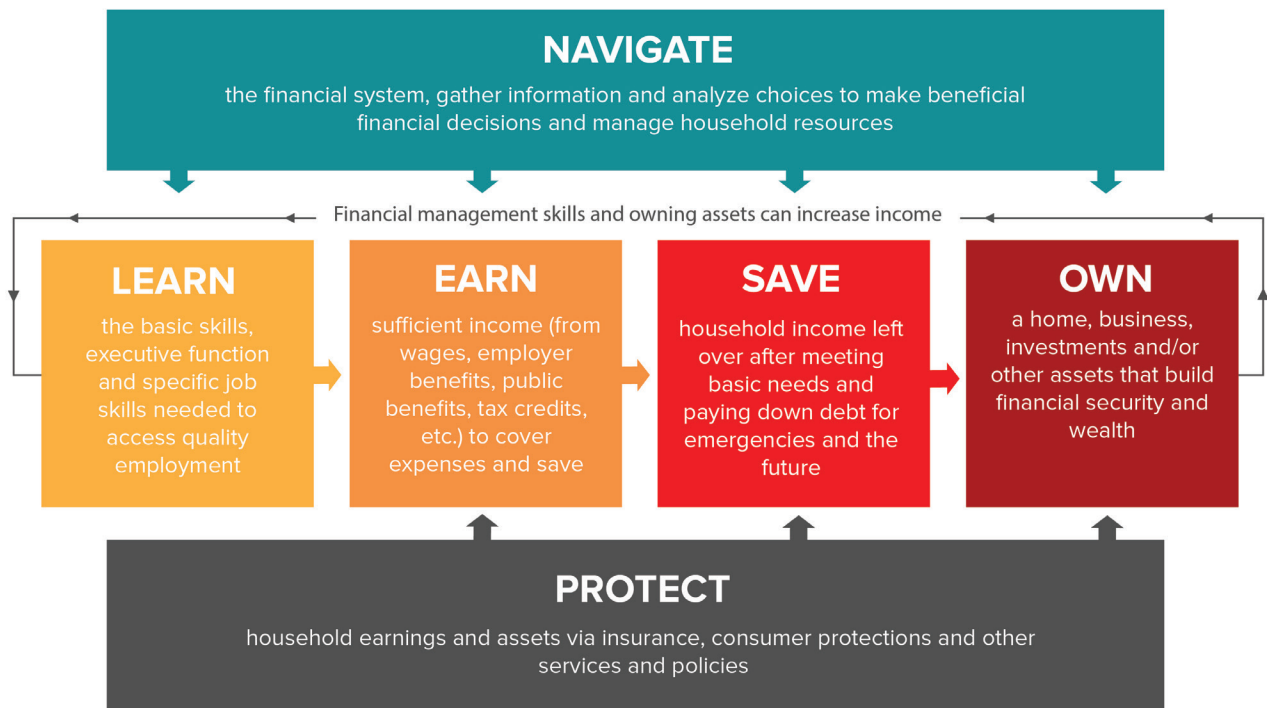
This report was made possible thanks to the contributions of Solana Rice, Kamolika Das, Holden Weisman, Dedrick Asante-Muhammad, Jeremie Greer, Sean Luechtefeld, Roberto Arjona, and Carmen Shorter.

A library full of publications document the fact that many communities of color face a much more difficult road to financial security, stability and prosperity than their White counterparts. This primer aims to identify the elements of advocacy, policy design and implementation practices that improve outcomes for people of color.

Policymakers and advocates interested in approaches that, at minimum, do not exacerbate the wealth divide can start with the considerations outlined here. This primer is a companion resource to a state policy “blueprint” which recommends select policies with the potential to address growing racial wealth and economic inequality.

DO WE HAVE TO TALK ABOUT RACE?

Below is Prosperity Now’s Household Financial Security Framework, which illustrates what it takes for families to get ahead, not just get by. When we look at each aspect of financial security, unfortunately, we can cite racial disparities in all of them. For example, disparities in educational attainment (learn), unemployment and income (earn), savings rates and net worth (own) are well documented in research.¹



¹ Liz Sablich, “7 Findings That Illustrate Racial Disparities in Education,” *Brookings Institution*, June 6, 2016, <https://www.brookings.edu/blog/brown-center-chalkboard/2016/06/06/7-findings-that-illustrate-racial-disparities-in-education/>; Nick Buffie, “The Problem of Black Unemployment: Racial Inequalities Persist Even Amongst the Unemployed,” *Center for Economic and Policy Research*, November 4, 2015, <http://cepr.net/blogs/cepr-blog/the-problem-of-black-unemployment-racial-inequalities-persist-even-amongst-the-unemployed/>; Janelle Jones, “The Racial Wealth Gap: How African-Americans Have Been Shortchanged Out of the Materials to Build Wealth,” *Economic Policy Institute*, February 13, 2017, <http://www.epi.org/blog/the-racial-wealth-gap-how-african-americans-have-been-shortchanged-out-of-the-materials-to-build-wealth/>.

A number of historical policies have been thoughtlessly or intentionally designed to keep people of color from seizing the same opportunities available to White people. Take the [GI Bill](#) as an example, the discriminatory implementation of which meant that educational opportunities were disproportionately available to White veterans. When it comes to employment and earnings, [Jim Crow laws](#) and the [Bracero Program](#) were early contributors to discrimination in the work place and a wage gap that continues to grow today. In housing, recent [deregulation of mortgage financing](#) has locked families of color out of the opportunity to own a home, making the intergenerational transfer of wealth increasingly difficult.

Policies like these designed to create or maintain racial inequality have been the foundation of the racial wealth divide, and only policies designed to proactively address racial inequality will bridge this ever-growing divide. Said differently, when we fail to acknowledge the impact of structural racial discrimination on wealth, we miss the opportunity to pave a path for prosperity for all.

Perhaps more importantly, when we fail to acknowledge the structures that keep people of color from building wealth and attaining prosperity, we unwittingly design policies that exacerbate wealth inequality. Consider how assets give people the means to take advantage of opportunity, create financial stability and provide a better future. A lack of assets or wealth is a serious barrier to a stable and prosperous future, and too often, policies compound the disadvantages facing low-wealth communities such as African Americans, Latino/as, Native Americans and Asian Pacific Islanders. For example, a focus on expanding homeownership nationwide that does not acknowledge racial bias and the complex web of factors that make it harder for low-wealth families to enter the market has meant that families of color are segregated into neighborhoods where homes don't appreciate in value, fewer services are available, educational opportunities are sparse and environmental hazards threaten physical health and well-being.²

DETERMINING IF A POLICY WILL ADDRESS RACIAL WEALTH INEQUITIES

Let's start with wealth inequality. Bridging the wealth divide means changing those policies that deal directly with assets and wealth accumulation. Indeed, policies aimed at improving income, educational attainment or access to financial products, for example, are critical to household financial security. But, we should not assume that they, in and of themselves, will improve the wealth position of low-income families or families of color.

Second, deploying a racial equity lens when designing and advancing policy means acknowledging historic inequities and accounting for the disparate challenges faced by specific communities of color. It also means anticipating the impact of policies on specific communities of color and how it might differ from the impact on White communities. To be clear, equitable policies may disproportionately benefit households of color in order to make up for historical, structural disadvantages and to balance existing disparities.

² For background on environmental justice in the context of residential segregation see Natasha Trifun, "Residential Segregation after the Fair Housing Act," *Human Rights* 36, no. 4 (2009), https://www.americanbar.org/publications/human_rights_magazine_home/human_rights_vol36_2009/fall2009/residential_segregation_after_the_fair_housing_act.html. For homeownership and housing policies that could impact racial inequities, see Anju Chopra, Dedrick Asante-Muhammad, David Newville and Doug Ryan, *Downpayment on the Divide: Steps to Ease Racial Inequality in Homeownership* (Washington, DC: CFED, 2017), https://prosperitynow.org/files/resources/a_downpayment_on_the_divide_03-2017.pdf.

For example, given that student loan debt is crippling economic mobility, especially for [students of color](#), some are calling to eliminate student loan debt. In their report, [Less Debt, More Equity: Lowering Student Debt While Closing the Black-White Wealth Gap](#),³ Demos and the Institute for Assets and Social Policy at Brandeis University found that erasing student loans for all students, independent of income level, would increase median net worth for Black and White households, but it would also increase the racial wealth divide between Black and White households by nine percent.

When developing a policy, articulating goals and anticipated outcomes for target populations is critical to managing expectations and realistically assessing the impact a policy may have. Being clear on the problem you are trying to solve, as well as the goals and potential outcomes you hope and expect to see, may reveal additional outcomes that can help bring a diversity of policy champions on board. Whether you focus on the full range of elements of household financial security or you focus more narrowly on just one or two elements, examining policies through a racial equity lens will help ensure that prosperity is in reach for all.

ADVOCATING WITH A RACIAL EQUITY LENS

In our work with advocates, many express an interest in advancing policies to close the racial wealth divide. At the same time, these advocates worry that leading with this goal is a non-starter for many policymakers. Below are a few ways to utilize a racial equity lens in your advocacy efforts that have the potential to effectively engage policymakers.

“Nothing About Us Without Us”: Numerous policies are made without engaging many of the constituents most likely to be directly impacted. When presented with the luxury of having time to develop a policy proposal, identify people who stand to be most impacted by that policy. Policy can be stronger and more focused when stakeholders from marginalized or underrepresented groups are actively involved in the process of developing an advocacy strategy and designing the policy specifics. In facilitating this process, expect and plan for a diversity of perspectives among all stakeholders, even those representing the same marginalized groups. Develop an inclusive decision-making process that authentically engages and builds from the ideas of diverse stakeholders. Lobbying efforts, such as directly visiting with lawmakers or testifying at a hearing, should also include the voices of stakeholders most likely to be impacted by the policy.

Diverse engagement is also important for coalition building beyond the campaign efforts focused on a single issue. A diversity of coalition partners with a range of skills, perspectives and strengths can help navigate policy design to address interconnected issues and can provide the capacity needed to withstand the often-incremental pace at which policy change happens.

Framing: Having internal conversations with allied groups and individuals to identify the goals, benefits and mechanics of proposed policies is recommended, as this process will help you discern a helpful frame within which to articulate policy objectives. Designing policies requires navigating many trade-offs. Being clear on intended outcomes for specific populations will help you and your stakeholders weigh trade-offs and judge when to compromise or not. Besides setting goals,⁴ there are a

³ Laura Sullivan, Tatjana Meschede, Lars Dietrich, Thomas Shapiro, Mark Huelsman and Tamara Draut, *Less Debt, More Equity: Lowering Student Debt While Closing the Black-White Wealth Gap* (Washington, DC: Demos, 2015), <http://www.demos.org/publication/less-debt-more-equity-lowering-student-debt-while-closing-black-white-wealth-gap>.

⁴ See resources at the end of this document on goal setting.

few additional recommendations to consider when thinking through how to effectively frame your policy priorities.

1. Emphasize the civil rights issues that necessitate policy change, and use civil rights as a unifying “device.” Framing policies as a response to civil rights injustices can help strengthen and broaden your coalition by engaging others who share the same values and goals.
2. Clearly state benefits for specific communities. Using language that communicates the target population explicitly and does not blur the focus is important to articulating specific goals and intended outcomes. Consider this message used by [AARP](#): “Improving retirement security is critical for all workers, but especially Black and Latino workers who disproportionately work for employers without access to a retirement account.”⁵ It makes clear that retirement security benefits everyone, but that there is a specific need to account for those who have been excluded from opportunities to participate in employer-sponsored retirement savings plans.
3. Use data to emphasize the needs of specific racial and ethnic groups. AARP provides [another helpful example](#) of how to do this: “In California, 68% of Latino workers and 53% of Black workers are without access to an employer-sponsored retirement plan.”⁶
4. Highlight universal benefits and returns to provide positive framing for a proposal. This can help to make the case to those who aren’t compelled by the moral imperative to improve the financial lives of those who have been left behind for too long. The [Center for American Progress](#) offers a useful example for how to articulate this idea: “For example, if we improve retirement savings, our regional and national economies would improve.”⁷
5. Consistently acknowledge structural or institutional barriers in your language. Whether we realize it or not, we often use language that assumes that individuals are exclusively responsible for their own financial well-being, and this language can undermine your efforts to advance equitable policies by reinforcing the notion that changing *individual behavior or choices*, not public policy intervention, is the necessary solution. Consider this passage from an article in the [Portland Press Herald](#): “The disparity in retirement readiness is a sign that the structural inequalities Black and Latino workers face during their working years extend into retirement. For example, the unemployment rate among African-Americans is twice that of whites. On top of that, blacks earn less than whites with similar education and experience, research shows.” Before asserting the disparities between Black and Latino workers and their White counterparts, this passage emphasizes how structural challenges helped to create the problem, meaning that the onus to solve the problem, at least in part, is on all of us and not solely those who are most directly impacted.⁸

In addition to these recommendations, you should keep in mind that while you may need to tailor your messaging to the specific motivations and perspectives of your audience, your language should remain consistent in terms of tone and its articulation of the specific goals of the coalition. Several organizations have developed helpful guides on how to lead inclusive advocacy processes, many of which are listed at the end of this primer.

⁵ Catherine Harvey, “Access to Workplace Retirement Plans by Race and Ethnicity,” *AARP Public Policy Institute*, February 2017, <http://www.aarp.org/ppi/info-2017/Access-to-Workplace-Retirement-Plans-by-Race-and-Ethnicity.html>.

⁶ David John and Gary Koenig, *Workplace Retirement Plans Will Help Workers Build Economic Security* (Washington, DC: AARP Public Policy Institute, 2015), <http://www.aarp.org/content/dam/aarp/ppi/2015-08/aarp-california-fact-sheet.pdf>.

⁷ Keith Miller, David Madland and Christian E. Weller, “The Reality of the Retirement Crisis,” *Center for American Progress*, January 26, 2015, <https://www.americanprogress.org/issues/economy/reports/2015/01/26/105394/the-reality-of-the-retirement-crisis/>.

⁸ Maria Ines Zamudio, “New Poll Shows Racial Gap in Americans’ Retirement Readiness,” *Portland Press Herald* (Portland, OR), May 18, 2017, <http://www.pressherald.com/2017/05/18/race-figures-in-u-s-retirement-gap-poll-shows/>.

CONSIDERATIONS FOR POLICY DESIGN

Estimating the Impact of Policies on Communities of Color:

At the state level, we typically lack the data to be able to estimate how a policy may affect the racial wealth divide. Absent these data, we risk passing policies that disproportionately improve White wealth. As such, advocates should try to discern the impact of policies on the financial security of households of color. Does the language or the implementation of the policy improve financial stability by increasing earnings, savings or ownership potential? Does the policy help to sustain improvements over the course of multiple generations? Has the policy acknowledged the root causes of racial inequities and the barriers to wealth generation for people of color? Starting with these questions will help to more realistically frame the limits of the impact of the policy without overselling or underselling the policy's value.

For policy recommendations, see the companion guide 'State Policy Blueprint for a More Inclusive Path to Prosperity'.

Visit www.prosperitynow.org to learn more about Prosperity Now's Racial Wealth Divide Initiative efforts, federal policy campaigns and state policy initiatives.

Targeted Universalism: Advocates and policymakers often debate about making a program universal or targeted. Should this be a program that serves everyone, or should it target specific populations? John A. Powell, Executive Director of the Haas Institute for a Fair and Inclusive Society, coined the term "[targeted universalism](#)" to demonstrate that these choices are not mutually exclusive.⁹ As Powell argues, targeted programs that also have a broad impact can be politically viable. Again, being clear in internal conversations and strategy sessions about targeted outcomes for communities of color is the basis for developing external language that translates to universal benefits.

Overlapping Policies: As discussed above, policies can compound and combine to create multiple barriers to a household's financial security. When designing policies, consider connections, compounding factors and other mitigating factors that impede effectiveness. For example, we know that savings can improve the likelihood that students attend college and are particularly powerful for Black children.¹⁰ This does not address the fact that Black graduates receive fewer benefits from graduating from college.¹¹ Having savings is part of a solution for Black educational attainment, but savings alone is not going to address the fact that students of color disproportionately have less wealth entering college and more debt upon graduation. Acknowledging compounding factors can give perspective on the limits of any one policy and help with measuring the right types of outcomes.

⁹ Laura Sullivan, Tatjana Meschede, Thomas Shapiro, Dedrick Asante-Muhammad and Emanuel Nieves, *Equitable Investments in the Next Generation: Designing Policies to Close the Racial Wealth Gap* (Washington, DC: CFED, 2016), 9, https://prosperitynow.org/files/resources/IASP_CFED_Equitable_Investments_in_the_Next_Generation-FINAL.pdf. In particular, see the section entitled "Targeted Universalism: Aligning Public Investments and Equity to Reduce Inequities."

¹⁰ William Elliott, *Small-Dollar Children's Savings Accounts and College Outcomes* (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2013), <https://csd.wustl.edu/publications/documents/wp13-05.pdf>.

¹¹ Matt Bruenig, "White High School Dropouts Have More Wealth Than Black and Hispanic College Graduates," *Demos*, September 23, 2014, <http://www.demos.org/blog/9/23/14/white-high-school-dropouts-have-more-wealth-black-and-hispanic-college-graduates>. See also Thomas Shapiro, Tatjana Meschede and Sam Osoro, *The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide* (Boston, MA: Institute on Assets and Social Policy, Brandeis University, 2013), <https://iasp.brandeis.edu/pdfs/Author/shapiro-thomas-m/racialwealthgapbrief.pdf>.

Because household financial security is complex, it's important to acknowledge that no single policy will untangle the many systemic barriers facing low-income families and communities of color. We encourage advocates to pursue policies that may seem incremental, while at the same time acknowledging the limits of incremental change and continuing to push for additional reforms. Stacking incremental wins to address systemic barriers requires resolve and consistency that can be difficult to maintain over long periods of time. For example, increasing the value of homeownership for people of color will require several layers of federal, state and local policies to defuse the discriminatory practices, neighborhood infrastructure issues and financial readiness that coalesce to decrease home values in low-income neighborhoods.

Estimating Outcomes: Setting goals for your policy is important, but how will you know if your policy is meeting its goals? During the policy design process, include a mechanism (and resources) for agencies or lawmakers to gather information by race where possible. If the goal is to improve retirement security for communities of color, authorizing a commission to regularly gather sample data from savers is a good example of how you can establish an understanding of whether or not the policy is addressing the needs of and barriers facing the target population as they work to generate wealth and achieve financial security.

CONCLUSION

Identifying, designing and advocating for policies that bridge racial wealth inequality takes time, patience and resources. Building wealth depends on a multitude of economic factors to play out favorably in our day-to-day lives, and when these factors favor some people over others, wealth inequality is the natural result. To stack the deck more equitably, we must acknowledge the scope of the racial wealth divide, the role of historical and current policies in perpetuating it, and our responsibility to disaggregate and estimate the impacts of proposed policies on communities of color. Admittedly, this is no easy process, but an imperative one if we are to truly clear a path to prosperity that benefits all of us.

ADDITIONAL RESOURCES FOCUSED ON RACIAL EQUITY

Racial Equity Toolkit, City of Seattle's Race and Social Justice Initiative: This toolkit includes an analysis worksheet and recommended steps to ensure city governments consider impacts and alignment with racial equity outcomes and unintended consequences.

Link: <https://www.seattle.gov/rsji> (click on 'Racial Equity Toolkit')

GEAR (Getting Equity Advocacy Results), PolicyLink: This framework identifies the essential components of coordinating inclusive advocacy campaigns and includes tools that measure and evaluate campaign progress. The "Naming and Framing" section can help advocates set goals and identify the problem to be solved.

Link: <http://www.policylink.org/gear>

Racial Wealth Audit, Institute on Assets and Social Policy at Brandeis University and Demos: This guide highlights how a particular policy may impact the median wealth of White families and families of color; the audit focuses on equalizing essential policy areas including homeownership rates and returns, college graduation rates and the income gap.

Link: <http://racialwealthaudit.org/>

Equitable Investments in the Next Generation: Designing Policies to Close the Racial Wealth Gap, Institute on Assets and Social Policy at Brandeis University and Prosperity Now: This report focuses on the role that policy design can have on closing the country's unrelenting and unacceptable racial wealth divide. The report utilizes the Racial Wealth Audit referenced above to show what impacts education policy initiatives may have on narrowing or widening the racial wealth gap.

Link: <https://iasp.brandeis.edu/pdfs/2016/EquitableInvestments.pdf>

Race Equity Impact Assessment, Center for the Study of Social Policy and PolicyforResults.org: This questionnaire aims to help identify information and conditions that allow for optimally supporting more equitable policy development.

Link: <https://www.cssp.org/policy/2015/Race-Equity-Impact-Assessment-Tool.pdf>

Racial Equity Impact Assessment Guide, Race Forward: This questionnaire can be used to anticipate, assess and prevent potential adverse consequences of proposed actions on different racial groups. It provides clear steps for identifying and engaging stakeholders, examining adverse impacts and alternatives, and determining success indicators.

Link: https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf

Race Matters: Racial Equity Impact Analysis, Annie E. Casey Foundation: This short questionnaire can be used to analyze how equitable a policy is in terms of its impact on communities of color.

Link: <http://www.aecf.org/resources/race-matters-racial-equity-impact-analysis/>

