

in any case, its results demonstrate less the effects of specific content than what could be called "the rule of the real."

The rule of the real says that however strong media influences may be, real life is stronger. Real love, real money, real political events and real-life, unmediated interpersonal experience all shape kids' lives, minds and behavior more powerfully than any entertainment products. Even media seen or understood as real—news, documentaries, interviews—will have more impact than that which a kid knows is make-believe. As the Winicks found, kids understand early that cartoon violence is a joke, not a model. Even wrestling, once kids figure out that it's staged, gets processed differently from, say, a schoolyard beating.

Without belittling the importance of media research, it's time that the rule of the real governed policy as well. After all, boys whose dads do hard time tend to end up in jail, while boys who see *Fight Club* tend to end up in film clubs; it's more likely that the Santana High killer decided to shoot up his school after see-

ing the anniversary coverage of Columbine than because he watched *The Mummy*. Abused young women don't kill their battering husbands because they grew up watching *Charlie's Angels*, and teens who hear no criticism of the Gulf War tend to want another. Given limited energies and resources, if our politicians really wanted to reduce youth violence, they would push to reform prison policies, provide supervised after-school activities for teens and get early, comprehensive help to high-risk children. As a community, we would do better to challenge the corporate conglomeration of news outlets than to legislate the jugs 'n' jugular quotient in *Tomb Raider*, its labeling or ad placements—and this is true even though the stuff kids like is often quite nasty, and even though the better part of the scientific establishment now agrees that such excitements are less than benign. But setting priorities like these is hard because, while the real may rule children's lives as it rules our own, it's much more fun to imagine controlling their dreams. ■

NET WORTH, MORE THAN ANY OTHER STATISTIC, SHOWS THE DEPTH OF RACIAL INEQUALITY.

The Black-White Wealth Gap

DALTON CONLEY

In all the discussions about the Bush tax cut, it seems no one has mentioned the issue of race. This is too bad, since more than any "diverse" Cabinet appointment, more than executive changes in affirmative action regulations, indeed more than any explicitly race-based policy, the \$1.6 trillion tax reduction currently on the table will affect prospects for racial equality—for the worse. While African-Americans will be disproportionately left out of the income tax bonanza, the most troubling aspect of Bush's proposal, from the point of view of racial equity, lies in the repeal of the estate tax.

The federal estate tax, which has been in place since 1916, affects only the richest 1.4 percent of the deceased. As the law currently stands, the first \$675,000 of net estate value is exempt from tax for individuals (\$1.35 million for couples). Because of a 1997 change in the law, this exemption amount will rise steadily until it reaches \$1 million for individuals (\$2 million for couples) in 2006. Exemptions are even higher for businesses and farms. Since the number of African-Americans who would benefit is infinitesimally small, Bush's goal of eliminating the tax altogether would exacerbate the already growing wealth gap between blacks and whites.

In fact, if there is one statistic that captures the persistence of racial inequality in the United States, it is net worth. (If you want to know your net worth, all you have to do is add up everything



you own and subtract from this figure your total amount of outstanding debt.) When we do this for white and minority households across America, incredible differences emerge: Overall, the typical white family enjoys a net worth that is more than seven times that of its black counterpart. (Latinos—a very diverse group—overall fare slightly better than African-Americans but still fall far short of whites.)

This "equity inequity," which has grown in the decades since the civil rights triumphs of the sixties, cannot be explained by income differences alone. That is, while African-Americans do earn less than whites, asset gaps remain large even when we compare black and white families at the same income levels. For instance, at the lower end of the economic spectrum (incomes less than \$15,000 per year), the median African-American family has a net worth of zero, while the equivalent white family's net worth is \$10,000. Likewise, among the often-heralded new black middle class, the typical white family earning \$40,000 per year enjoys a nest egg of around \$80,000; its African-American counterpart has less than half that amount. Among the wealthiest Americans, the story is much the same: Oprah Winfrey and Robert L. Johnson (founder of Black Entertainment Television) are the only African-Americans on the *Forbes* annual list of the 400 richest people in the United States, and they are both on the lower end of the list.

This racial wealth gap accounts for many of the racial differences in socioeconomic achievement that have persisted in the post-civil rights era. When we compare black and white families who have the same income and net worth, we find that African-American kids are more likely to graduate from high school than

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whites and are just as likely to complete college. And when we compare individuals who grew up in families with the same economic resources—income and wealth—we find that the wage gap between blacks and whites disappears and that African-Americans are just as likely as Anglos to be working full time. But among the poor, a lack of assets makes blacks more likely to rely on welfare.

Stacey Jones, an African-American woman with a graduate degree and a solidly middle-class job, describes a common bind for minority parents: “I am, in effect, priced out of homebuying in good school districts,” she says. “This, in turn, makes it difficult for me to pay more for housing, since I am spending a good deal of my income on education for my children.” For much of the growing black middle class, a lack of assets means living from paycheck to paycheck, being trapped in a job or a neighborhood that is less beneficial in the long run, or not being able to send one’s kids to top colleges. Income provides for day-to-day, week-to-week expenses; wealth is the stuff that upward mobility is made of. Equality of opportunity cannot be achieved under unequal conditions (such as differential access to wealth). Indeed, whether the parents enjoy the American dream of the house, the car and the 401(k) is one of the best predictors of whether a child will have a chance to achieve the same.

For the minority poor, the situation is even more precarious. The \$10,000 in equity that impoverished white families enjoy certainly comes in handy when the inevitable economic downturn puts a family member out of work or when a medical crisis strikes. With no asset cushion to speak of, minorities are much more quickly devastated by such a blow.

Equity inequity is, in part, the result of the head start that whites have enjoyed in accumulating and passing on assets. Whites not only earn more now, they have always earned more than African-Americans—a lot more. Wealth differences, in turn, feed off these long-term income differences. Some researchers estimate that up to 80 percent of lifetime wealth accumulation results from gifts in one form or another from past generations of relatives. These gifts can range from the down payment on a first home, to a free college education, to a bequest upon the death of a parent. Over the long run, small initial differences in wealth holdings multiply.

There have also been institutional restraints on black property accumulation. After emancipation, blacks were promised “forty acres and a mule” by the Freedmen’s Bureau. Yet the lion’s share of confiscated plantations went to white Northerners, who hired the former slaves to cultivate them, inaugurating the system of sharecropping that would keep blacks asset-poor for many decades. For blacks who tried to escape sharecropping, there were formidable obstacles as well. In many Southern states, African-Americans who tried to set up their own businesses were stopped by “black codes” that required African-Americans (but not whites) to pay exorbitant licensing fees. Similarly, if former slaves tried to go west with the promise of free land by virtue of the Homestead Act, they were likely to find that their claim to title was not legally enforceable in some areas.

In the twentieth century, barriers to black property accumulation remained formidable. The Home Owners’ Loan Corporation

helped many white homeowners avoid default during the Depression, but not black homeowners—in fact, it was this agency that instituted the technique of redlining, in which those neighborhoods deemed high-risk would be assigned a red—no loan—rating. Black neighborhoods invariably received this designation, a practice that private banks adopted, too. Meanwhile, Social Security (originally Old Age Insurance) excluded most black workers, since it exempted the agricultural and service sectors. The result was that a greater proportion of black assets had to be spent on supporting elderly family members, and less could be passed on to the next generation.

Such discrimination persisted after the Depression. The Federal Housing Authority, established in 1937, in combination with the Veterans Administration’s home-lending program, which was part of the Servicemen’s Readjustment Act of 1944, made

homeownership possible for millions of Americans after World War II by underwriting low-interest, long-term loans for first-time homebuyers. But African-Americans were

systematically shut out of participation in these programs because loans were channeled to suburbs and away from central cities, where blacks largely resided.

Since the sixties, occasional efforts have been made to promote minority asset accumulation, but they have not amounted to much. In the wake of the urban unrest of the late sixties, there was much talk of fostering black capitalism, mainly through educational programs that aimed to bolster business skills and entrepreneurial spirit. This approach was eclipsed in the seventies by community development corporations (CDCs), which have sought to attract capital to economically depressed minority neighborhoods. Today, CDCs and community development banks, some of which are part of the “enterprise” or “empowerment” zones championed by Jack Kemp and implemented under former President Bill Clinton, continue to promote asset accumulation through inner-city investment.

A more radical policy alternative has called for reparations to black Americans. Espoused by black separatist organizations in the sixties, the argument for reparations was refined during the seventies. One researcher applied compound interest on 1790–1860 slave prices, calculated since the slavery era. The figure he came up with matched what the Republic of New Africa (RNA), a prominent separatist group, was asking for: between a half-trillion and a trillion dollars back in the early 1970s. Today Randall Robinson, co-founder and president of TransAfrica, and others are arguing for reparations through comprehensive social programs [see Randall Robinson, “America’s Debt to Blacks,” March 13, 2000].

Redlining was outlawed by the 1977 Community Reinvestment Act, although this law was weakened by Congress in 1999. In any case, simply providing African-Americans with the opportunity—or even the means—to become homeowners will not be enough. The problem is that homes in black neighborhoods don’t accrue value at the same rate as those in mostly white areas. Property has the particular attribute of quantifying the social value of ideas or objects. A diamond or a misprinted stamp or a Van

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Gogh has no inherent productive value. Its price reflects only the value accorded to it in the marketplace. In this vein, when a neighborhood's housing values precipitately decline as the proportion of black residents rises, the price changes provide a record of the social value of "blackness."

The devaluation of black neighborhoods is partially a result of white fears of a decline in property values and the "white flight" that ensues. It is in the economic interest of white homeowners to sell off when they anticipate that the neighborhood has reached a racial "tipping point," for fear that others will make the same calculation and sell off first, causing their property to lose value. In other words, there is a causal loop: As long as black neighborhoods are devalued, and whites are a majority and have the ability to decide where they will live, they will have an economic incentive to flee integrated neighborhoods, thus perpetuating the vicious circle.

In this way, blacks and whites are both trapped into reproducing current residential patterns. Even if African-Americans were allowed equal access to the homebuying market and if interest rates were prescribed by law to be the same for blacks and whites, African-Americans would still be at a disadvantage in terms of housing equity, since whites could flee, depressing values for those who remain. Remedies for this situation are difficult to come by. Politically, any policy limiting the market (restricting the ability of white homeowners to sell, for instance) would likely face fierce resistance, since it would fly in the face of the notion of individual choice central to American ideology.

One solution would be to provide "integration insurance." This form of insurance would protect property owners from any

rundown in prices that results from a rash in selling as a neighborhood tips from white to black. With this policy in place, the economic incentive to pull out when a neighborhood starts to integrate would be eliminated. The difficulty lies in the details, of course, especially the task of factoring out changes in prices that may result from other forces.

Other policy options to promote wealth equity include a national wealth tax: At the end of each calendar or fiscal year, each individual would use a checklist to assess his assets and liabilities and would be required to pay the government a certain percentage of that net worth if it exceeded a certain deduction. These funds would be redistributed to the asset-poor through dollar-for-dollar government matching funds, as has been proposed in the Savings for Working Families Act of 2001. Removing the asset restrictions currently built into the welfare system is another good idea: If welfare recipients were able to save without being penalized for their asset accumulation, they would be less dependent on public assistance. Finally, the creation of Individual Development Accounts could foster savings among the asset-poor through matching funds provided by the government through a progressive, refundable tax credit. The Bush tax plan, by contrast, helps (predominantly white) millionaires. If tax credits and other asset-encouraging programs were instead to target individuals and communities that are both income- and asset-deprived, they would inevitably favor minorities while being ostensibly color-blind. Sixty-four years ago, W.E.B. Du Bois claimed that if freed slaves had been provided with the forty acres and a mule they had been promised, it would have made for the basis of a real democracy. He is still right today. ■

LETTERS

C O N T I N U E D

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reaching initiatives. The federal and state governments—through expenditures, tax incentives, laws, research or fiat—facilitated railroads and airports, space exploration, computers and the Internet and the telecommunications revolution. Since the United States already leads the world in alternative-energy and related technologies, many American companies could profit enormously from a conversion. But conversion will most readily and with least disruption occur only if leaders embrace with vision and courage something like an Energy Marshall Plan. There are many potentially viable technical and financial options, but Bush's Cabinet choices belie hope of his Administration pursuing any of them.

KELLEN A. CAREY

FULL OF IT?

Claremont, Calif.

■ Thanks for Christopher Hitchens's humorous column about George W. Bush's frequent use of "heart" language to promote his agenda of "compassionate" conservatism ["Minority Report," Feb. 5]. Hitchens applauds the *Washington Post's* view that the "heart" will be the throbbing organ most favored by the new Administration (in contrast to the one so clearly favored by Clinton). Hitchens also acknowledges that Bush has

used this term quite effectively to position himself within the discourse of conservative Christians, whose rhetoric is full of similar appeals to the "heart." Still, Hitchens missed the funniest irony of all: When Bush and his conservative religious allies speak of the "heart," they assign it a meaning inconsistent with biblical usage.

When the New Testament was being written, people had very different ideas about the functions and symbolism of the body's organs. The heart (*kardia*) was understood to be the center of physical and mental life. The heart, not the head, was the seat of intellect; therefore, a person who claims to be a biblical literalist cannot rightly link the heart with George W. Bush! (It's hard even to write the words "intellect" and "Bush" in the same sentence.)

Fortunately, there is a bodily organ that can be appropriately and accurately linked to Bush in a biblical context. In New Testament times, feelings/emotions were understood to reside in the bowels (*splanchna*). Compassion, specifically, is said to originate there (see I John 3:17). Well, this makes a lot of sense! When I think of that which emanates from the bowels (given my modern frame of reference), I can easily associate it with Bush and with all he is dumping on the public—especially when he claims to be compassionate. Furthermore, I know how my

gut responds to Bush's rhetoric: When I hear it, I feel I need to run—but whether it's for the loo, for office or for cover, I'm not sure.

It feels odd to use New Testament Greek as a tool of ridicule, but I must agree with Hitchens on a final point. As he noted, when we indulge ourselves in the ridiculous, we often awaken to a valid point.

KAREN KIDD

SOA BY ANY OTHER NAME...

Milwaukee

■ Congressman Joe Moakley says that the new name for the infamous School of the Americas, the Western Hemisphere Institute for Security Cooperation, is "far more difficult to chant outside the gates" ["In Fact...," Feb. 12]. The name might be—but what a perfect acronym! WHISK AWAY WHISC! WHISK AWAY WHISC!

JEFFREY NORMAN

NOT BLESSED IN SALT LAKE CITY

Salt Lake City

■ The pamphlet Allen Lutins referred to on your January 22 Letters page never received "the blessing" of the Salt Lake City School district. It was published by a parent, acting on his own.

DAPHNE R. WILLIAMS, director
Salt Lake Education Foundation