Government Policy Has Enabled White Wealth To Compound While Extracting Black Wealth

Timeline of select key events

1600s – 1800s

Colonial Migration
White immigrant families arrive in colonial United States from Europe and settle in the south of modern-day United States.

Early 1800s:
Land Lotteries
Land lottery policies (which offered land that had been taken from Indigenous peoples to white males) drive wealth and property accumulation for white families, and the second generation moves up in social strata.

Mid-1800s:
Gains in White Wealth
Wealth of white families increases with the ongoing institution of slavery.
By 1850, the Mississippi River valley had more millionaires per capita than any other region in the United States.
1862: Former slaveholders receive reparations through the compensation clause after President Lincoln signs a bill emancipating enslaved people.

1800s – 1865

Atlantic Slave Trade
In 1619, the first ship carrying enslaved Africans lands at the English colony of Virginia. Over the course of 246 years, the Atlantic Slave Trade would bring approximately 400,000 enslaved people to the United States.

Losses in Black Wealth
By 1860, the US population of enslaved peoples grows to approximately 4 million (13 percent of the population).
By 1865, formerly enslaved people are promised approximately 400,000 acres of land that General William Sherman reallocated to them following the Civil War. The promise is rescinded by President Andrew Jackson who returns land to former plantation owners.
1872 – 1874: Freedmen’s Bureau and Savings Bank
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Mid-1800s

Jim Crow Era
Descendants of formerly enslaved families are subject to destruction and appropriation of property as white rioters kill residents and loot Black towns and neighborhoods throughout the 1900s (i.e., Tulsa Massacre, Wilmington Massacre, Rosewood Massacre, etc.).
This is worsened by de jure racial segregation (e.g., discriminatory lending and redlining practices that withhold opportunities for Black wealth accumulation).
1944: The GI Bill excludes 1.2 million Black World War II veterans from receiving benefits.

Late 1800s – Mid 1900s

New and Fair Deal Policies
The two-century generational wealth gap expands even more as new federal policies like New Deal and Fair Deal policies (National Housing Acts, Social Security Act) and the GI Bill transfer more than $120 billion to predominantly white families through low-interest mortgages, stipends for tuition programs, and federal guarantees on loans.
More than 98 percent of $120 billion in federally backed mortgages goes to white homeowners from 1934 to 1962.

1960s – present:

Ongoing Atrocities
Mass incarceration; the War on Drugs; police executions of unarmed Black people; ongoing credit, housing, and employment discrimination; and more.
1970s: The War on Drugs begins, imprisoning millions of Black Americans over the course of 50 years, creating a crisis of mass incarceration, and extending America’s legacy of slavery.
At the height of the pandemic, Black people died from COVID at twice the rate of white people.

Note: For a more comprehensive interactive timeline of how the racial wealth gap developed, please explore the work of Living Cities.
Source: The Bridgespan Group; adapted from Liberation Ventures “Why Reparations.”