

### **Race and the Criminalization of Poverty**

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The 2014 summer explosion on the streets of Ferguson and the subsequent demonstrations pointing to unfair treatment is a stark reminder that we have been trying to delude ourselves as a nation. Fifty years beyond the Civil Rights Act of 1964, we still have a problem with race, and nowhere is the problem more apparent than at the intersection of race, class, and the law.

While the increased public awareness of income and wealth inequality is encouraging—these issues are nearly always portrayed in terms of class, not racial divisions. But it's disingenuous to ignore the enormous wealth gap between blacks and whites and the racialized class system that underlies it. The simple fact is there is no comprehensive program to address inherited inequalities.

When economists and politicians reminisce about the good old days of economic equality in the U.S. in the 1950s and 1960s, they are lauding a whites-only reality. And, they continue to whitewash history when—by maintaining their silence—they pretend that racial economic exclusion never existed and that it does not still exist today.

A 2014 report released by the [Center for Global Policy Solutions and Duke University](#) Research Network on Racial and Ethnic Inequality found that 80 percent of black and Latino households have a net worth less than the white household median of \$111,740. Indeed, for every dollar of wealth held by the typical white family, the typical African American and Latino families only owned six and seven cents respectively in 2011.

Furthermore, blacks and Latinos possess only a fraction of the wealth of whites at every income quintile level and, despite popular perceptions that people in poverty experience the same circumstances, the study found that the racial wealth gap is greatest at the lowest income levels.

These inequities – rooted in our nation's long track record of maintaining policies that leave black and brown people isolated from wealth producing opportunities – are also apparent in the labor market. African Americans and Latinos are concentrated in low-wage employment, comprise a disproportionate share of the unemployed, and together earn 65 cents for every dollar of income earned by whites.

Some may ask why we should give attention to racial and ethnic wealth and income gaps given the bigger battle between the 99 percent versus the 1 percent of Americans whose [share](#) of wealth and income has increased dramatically.

Yet this simplistic formulation not only overlooks gross economic disparities by race and ethnicity, but it also treats America's racialized capitalist structure as if it were a natural or immutable fact, a viewpoint that results in the acceptance of the status quo.

Presenting economic data as if all racial and ethnic groups are similarly situated not only hides this inconvenient truth, but it hobbles our nation's economic future by retarding the pursuit of effective policy solutions that can help ensure an inclusive and equitable economy.

Recent events in Ferguson show us how dangerous it can be to ignore race, ethnicity, and class in our policymaking. A multitude of [stories](#) have covered how Ferguson's majority black residents experience deep poverty [made worse](#) by municipal policies seeking to maximize revenues (often as a result of having to make up for a hole created by extending tax relief to wealthier property owners) on the backs of those who can least afford to shoulder the burden.

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Using fees, fines, and the threat of incarceration, these residents get caught up in a system that leads to the criminalization of poverty. Law enforcement officials become a revenue-generating arm of the state, responsible for helping municipalities meet economic quotas instead of protecting and defending people.

When stereotyping and racial bias are added to this mix, low-income communities of color too often become the subject of policing strategies that presume guilt and run roughshod over the human rights and dignity of those they are supposed to serve.

Unfortunately, there are Fergusons across America employing a Rube Goldberg series of tricks and traps designed to keep people of color on the bottom rung of our economy. From high-cost financial services and payday loans to economically and racially segregated neighborhoods and school systems where the instructional resources are dependent upon the relative wealth of surrounding neighborhoods, there are policies and practices that continue to generate disparate outcomes by race, ethnicity, and class.

Ameliorating the racial wealth gap, which is a product of this ongoing discrimination, is a daunting task. But other researchers and I at the Haas Institute for a Fair and Inclusive Society emphasize six evidence-based policy solutions that can help reverse rising inequality, close economic disparities among subgroups, and enhance economic mobility for all: increasing the minimum wage, expanding the Earned Income Tax Credit, building assets for working families, investing in education, making the tax code more progressive, and ending residential segregation.

Additionally, affirmative steps to alleviate concentrated poverty and residential segregation will also offset incentives to boost local government revenue by holding low-income people and neighborhoods financially hostage to rigged laws.

It can be difficult to acknowledge just how far we are from a fair and equal society. But it does no good to bury our heads in the sand. By being clear and forthright about the challenges we face, we can take the steps necessary to address our still glaring inequalities and build a more promising future for all Americans.

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