

Economic Power and Economic Security

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Speakers include:

Rev. Delman Coates- Senior Pastor, Mt. Ennon Baptist Church

Wole Coaxum- Founder & CEO at Mobility Capital Finance, Inc. (“MoCaFi”)

William Darity- American Economist

Paul Pryde- Consultant to NorCal FDC

This conversation centers around how the Black community can improve its economic position to ensure that it can prosper by identifying various strategies such as MMT (Modern Monetary Theory) and federal job guarantee to help increase Black wealth in America. While also exploring economic alternatives such as cooperative economics.

Paul Pryde: Good afternoon. For you on the West Coast, like I am, good morning. Thank you for joining our panel on economic power and economic security. For most of it, there's very little doubt that the African American community has grown in political influence and power over the last several decades to an extent that I'm not even sure the founders of SNCC[Student Nonviolent Coordinating Committee] might have imagined. The task before us now, however, is to translate that increased economic influence into sustained into real economic progress. Our panel today will outline some of the most significant proposals and strategies being employed for increasing black wealth income and employment.

First, let me introduce myself. My name is Paul Pryde. I spent the last 50 years working on the capital and credit access problems of the black community, as well as other marginalized communities. I'm happy to be your moderator today. Our first panelist is Dr. William “Sandy” Darity, the Samuel Dubois Cook, a professor of public policy, African American studies, and Economics at Duke University. He and Kirsten Mullen are the authors of *From Here to Equality, a comprehensive historical and economic case for operations for American descendants of slavery*. I'm delighted he's gonna his views with us today.

William Darity: Thank you for having me; I'm glad to join this fine panel.

Paul Pryde: Looking forward to your remarks. Mr. Wole Coaxum is the founder and CEO of Mobility Capital Finance, a company that uses financial technology, data analytics, and digital strategies to provide banking services to the nation's under-buying and unbanked black and brown citizens. He'll describe the work MoCaFi[Mobility Capital Finance] is doing with banks and local governments to provide affordable alternatives to people who too often have to rely on predatory check cash, paid lenders, and pawn shops.

Wole Coaxum: It's great to be here. Thanks so much for having me

Paul Pryde: Good To see you again. Dr. Reverend Delman Coates serves as pastor of Mount Ennon Baptist Church, a 10,000-member congregation in the Washington DC suburb of Clinton, Maryland. He's also co-founder of Our Money, a grassroots campaign to educate Americans about the role of the nation's monetary system in both shaping and distorting our lives. Dr. Coates is gonna make the case that a national job guarantee is critical is a critical solution to poverty and unemployment. Thank you for joining us.

Rev. Delman Coates: Thank you so much for having me delighted to share today.

Paul Pryde: Doctor Darity, please discuss your work with us.

Dr. William Darity: So I'd like to begin by talking briefly about the inadequacy of attention to the problem of economic inequality that characterized, I think, the long period of activism on the part of the civil rights movement and to the extent attention was drawn to economic-related issues.

It was frequently through the lens of thinking about income disparities rather than wealth disparities or thinking about the issues in the context of black business development, not necessarily the development of wealth across the entire black community. Today, we have an immense disparity in wealth between blacks and whites in the United States. It's of an order of an average per black and white household of approximately \$840,000 in net worth.

A comparable or related statistic is the fact that if you look at the black American population who had ancestors who were enslaved in the United States, they constitute about 12% of the nation's population but possess less than 2% of the nation's wealth. I want to distinguish wealth from income in the following way. Wealth is a stock concept, a set of resources that an individual or household has that they potentially can carry with them across periods of time. It's the net value of their property, the difference between their assets and their debts. This is quite distinct from income, which is a flow concept that is primarily dominated by the earnings that an individual receives in a given amount of time.

I would like to argue that wealth is a more important factor in terms of dictating opportunity as well as economic security. This is because, in part, wealth can actually substitute for income. When families are confronted with medical emergencies or a job loss, wealthier households are in a far better position to weather the storm. Wealthier families are in a position to purchase their way into higher amenity neighborhoods. They can ensure that their children leave college or university without any significant amount of student loan debt. They're able to better negotiate the criminal justice system because they can purchase quality legal advice.

They can be more actively involved in the political process and more effectively involved in the political process that is dominated by the capacity of individuals to mobilize funds and exercise influence. They can purchase a business, or they can expand an existing business more easily if they already are in a position of wealth, and they can leave resources to subsequent generations, either in the form of an inheritance or in the form of gifts.

So, if we have this immense racial wealth gap, and if there's a tremendous disadvantage associated with having such a disparity in wealth, we have to pay close attention to the question of what we can do to resolve this disparity. In the work that I've done with Kirsten Mullen in the book that Mr. Pryde mentioned, *From Here to Equality*, we have emphasized the notion that the only significant way in which the racial wealth gap can be eliminated is by closing it directly.

That is by the provision of direct payments to eligible recipients for a program of [reparations](#). We've argued that the reparations program would require an expenditure by the federal government of somewhere in the vicinity of 12 to \$14 trillion to eliminate that gap. I'd like to add that, actually, like Mr. Coates, I'm a passionate enthusiast for a federal job guarantee, but I don't think of a federal job guarantee as being an alternative to a reparations program.

I view it as being a compliment. A [federal job guarantee](#) would be applicable to all Americans, but it would have a disproportionate benefit for black Americans because of the extent to which we are subjected to discrimination in labor markets. However, it would not address the wealth disparity. It's not intended to do that because it's effectively an anti-poverty program. It's not a wealth accumulation program. The only way we can really address this enormous gaping chasm and wealth is through a reparations initiative.

Paul Pryde: Seems appropriate—a good segway to Dr. Coates.

Rev. Dr Delman Coates: I just said to myself, I don't know if you can hear me, Paul. I just told myself, wow, I need to edit my thoughts now. Paul, do you want me to go now?

Paul Pryde: Yes

Rev. Dr Delman Coates: Yes. Thank you so much for having me. I'm really delighted to share today. I really want to direct my comments to explain what a federal job guarantee is and why it's so important. I want to talk briefly about the salient framework known as modern monetary theory, which seeks to explain how we would pay for such a big, broad, robust policy initiative. In order to address the longstanding negative consequences of [American slavery](#) and the enduring racial disparities affecting the descendants of American slavery.

I believe we need targeted measures to address the range of disparities that we see today. We need major public policy intervention to close the structural features of our economy that extract economic resources from the African American community. This, for me, is one of the major

takeaways from the study, *What We Get Wrong about the racial wealth gap*, conducted by Dr. Darity and other leading economists, which I strongly encourage folks listening to read.

Such bold public policy intervention must include, among other things in my mind, fiscal policy measures that guarantee true full employment in America, rather than the current goal of maximum employment by the central bank, which ensures that tens of millions of Americans will be unemployed even in a good economy. If we're to have any hope of delivering repetitive economic justice to those impacted by America's nightmare of chattel slavery, we must end the policy of unemployment that governs the way policymakers think about monetary and physical policy. This is key and important because unemployment creates economic insecurity, prevents people from being able to take care of their families, and forces them into a life of crime. It stokes racial tension as those with jobs feel threatened by those without a job.

The way that we currently conduct monetary policy in America assumes that there will always be this unemployed population in America. I regard this as an unacceptable level of unemployment, and it's something that we deeply need to change. To remedy this, economists and civil rights activists have sought passage of federal job guarantee legislation that guarantees full employment in America by providing a legal right to a dignified job with benefits at a livable wage for every American who wants a public job. Such a public option for jobs is so critical because the private sector, as important as it is for our economy, cannot create enough good jobs for every American, and a job guarantee would help fill that gap.

One of the reasons that I'm also very passionate about a federal job guarantee is that it's an automatic stabilizer, which means that the spending is automatically approved, just like unemployment benefits or social security, regardless of putting us in a situation where we are held hostage to which party is running Congress in order to get additional funding. A federal job guarantee, as I've said earlier, is the unfinished work of the civil rights movement.

Dr. Sadie Alexander was the first African American to receive a PhD in economics in America In 1921. She was also the first economist to recommend and champion a job guarantee, a concept that was embraced by President Franklin Delano Roosevelt. At the time, Dr. King[Dr. Martin Luther King Jr] advocated it, and many of the leaders of core SCLC[Southern Christian Leadership Conference], SNCC[Student Nonviolent Coordinating Committee], the AFL CIO[American Federation of Labor-Congress of Industrial Organization], and a range of other organizations.

In the seventies, [Coretta Scott King](#) led 1.2 million people in rallies all across the country advocating for a federal job, guaranteed. It is just as relevant today as it was then. I look forward to a more robust discussion about a federal job guarantee and its benefits. Let me say this, Paul: Many people will ask where the money from a federal job guarantee would come from, for that matter. They'll ask Dr. Darity where the \$13 trillion will come from for such a reparations proposal.

To that, I say that understanding the core insights of modern monetary theory are very important. Modern monetary theory helps us to understand that the federal government's budget does not work like a household. It is the household budget framework that is the sort of prevailing understanding of how the federal government's budget works, which is hindering progress on a range of public priorities getting funded today. As we see in the current debates around infrastructure, MMT[Modern Monetary Theory] helps us to understand that the federal government issues the currency; it's not a user of the currency.

As such, revenue is not a constraint for the federal government; it is a resource. As long as we do not trigger inflation, the federal government can create all the money we need to responsibly address our greatest social and economic challenges. I encourage everyone listening to educate themselves about the core insights of MMT or [modern monetary theory](#). If you haven't read the book *The Deficit Myth* by Stephanie Kelton, I think it's a good primer on the core insights of MMT. Thank you so much, Paul, looking forward to the discussion.

Paul Pryde: This. Thank you, Dr. Coates. And now to my friend, Wole Coaxum, an entrepreneur who's addressing the use of the banking system and partnerships with local governments to address some of our most severe banking problems. Wole.

Wole Coaxum: Thank you very much, Paul. It's a privilege again to be a part of such a distinguished conversation with distinguished analysts. I think about the world coming from my own experience of having the opportunity to work in the financial services system, if you will, having spent time at City Group and JP Morgan and becoming one of the most senior people at JP Morgan. During my 20-plus years in banking, in the traditional sense, you will really come to understand the power that banking tools can have in terms of transforming communities.

I had my [George Floyd](#) moment after the death of [Michael Brown](#), where I said, okay, it's clear that the financial system is leaving black folks behind. That's why 50 to 55% of our community is unbanked or underbanked. And just in that frame, we are losing, um, hundreds of millions, if not billions of dollars every year into the system such as payday lenders, pawn shops, check cashers, and those institutions have become very extractive in terms of taking dollars out of our community on a daily basis.

And not only financially but psychologically. I mean, the idea that someone might tip someone for helping them cash their check at a check cash or where they paid a fee to get their own money is ridiculous. But 80% of the bank branches that have closed in this country have been in low-income communities, which is code for black communities, right? So I thought that it made sense to let's take the banking institution and the infrastructure but really gear it towards the problems facing our communities.

I can go on in terms of why it's important for there to be diversity at large banks and other financial institutions to afford individuals like myself to leave and say, what are the tools that are available that can address an immediate need? So someone doesn't have to go to a check casher. So someone doesn't have to go to a pawn shop, and that's what we've built in with. MoCaFi[Mobility Capitol Finance], where we were saying, okay, let's give people a no-fee bank account that allows that comes with a free ATM system that comes with —If the bank branches are leaving the community, let's turn the stores that have stayed in the community and turn those into bank branches where people can make deposits and make free withdrawals.

Then we sort of saw, and it became the pandemic, which became an accelerant for different cities across the country to say, wait a second, we need to get dollars to the most vulnerable among us. Unfortunately, the black community follows in the category of most vulnerable too many times. How do we do that electronically when people are stuck in their homes? So that became an opportunity for us to sit with, talk to mayors across the country, whether it's the mayor of Los Angeles or Birmingham, or Columbia, South Carolina, or Detroit, New Orleans, where we said, Hey, we can bring folks into the financial system in an efficient way so they can get access to dollars.

What's terrific. Similar to what my fellow panels have talked about, there's such a large amount of money flowing or could flow to individuals in our structure, as the government is set up where many of those dollars go through the states and the cities that we've built an infrastructure allowed to take advantage of that, and really reimagine banking our communities in a way that's responsible, which by default gives people a pay raise. And so, we are very excited about how we're doing that and look forward to sharing more ideas.

But the point, the punchline is while we are dealing with some of these longer-term strategies from a policy perspective, we think there are opportunities to have some of what I'll call quick hits today to enable us to bring technology to communities like ours that have so often been ignored, uh, by the traditional banks, as well as by traditional tech companies. We're trying to change the game on that.

Paul Pryde: It occurs to me that government at all levels has a huge role to play, but we in the black community have a history of originating some solutions to our own problems. So to speak, we've done things from the ground up, and I'd like Dr. Jessica Gordon Nembhard to address her work in looking at cooperative economics and other sort of bottoms-up approaches to economic progress. Dr. Gordon-Nembhard specializes in cooperative economics ¹, community economic development, community, asset building, and racial wealth and equality. She's currently a professor of community justice and social-economic development in the Department of African Studies at John Jay College, a City University of New York. Dr. Jessica Gordon-Nembhard, thank you for joining us.

¹ Cooperative Economics- a system of economic organization and production in which businesses and enterprise are owned and controlled democratically the people who work in them and use their services.

Dr. Jessica Gordon-Nembhard: Oh, thanks for having me. It's great to be on this panel, and I have to say hello to Sandy [Willam Darity]. Good to see you and to always be talking about these issues. So, yeah, I just wanna add another complimentary strategy, looking from the bottom up, to do economic power and wealth building; I'll start with a quote from W E B Dubois that he wrote in an editorial in 1933. He said, "*We can, by consumers and producers cooperation, establish a progressively self-supporting economy that will wield the majority of our people into an impregnable economic failings.*" This is an aspect of Dubois that we don't always focus on in his discussion about cooperative economics and his study. He did some studies of it in the late 1800s and the early 1900s about how African Americans were using cooperatives.

I followed in his footsteps and really saw that for centuries, while we've also obviously argued for big policy and legal changes or whatever, we've also practiced alternative economics, not just to survive, not just for some economic justice, but also for some level of economic power. It gave us a chance to do these cooperatives and collective ownership. A chance to design and manage our production and our services in culturally, racially, and geographically sensitive ways away from capitalist depression to establish some stability so that we could have some level of independence from the beginning.

For example, free and enslaved African Americans shared resources. The [underground railroad](#) is a kind of shared resource strategy. We pooled money to buy each other in our own freedom, right? We started independent schools, commune intentional communities, and mutual aid societies all in order to really have more community control, even when we just had meager resources ourselves, but together, right, the pooled resources gave us access and leverage to do a little bit better.

So pooling our resources to create credit unions. And before that, credit exchanges. So we had access to mortgages and things that we could buy equipment for, such as land, instead of tedious and predatory prices in ways that were completely controlled by our community ag[agriculture] co-ops. We started rural electric co-ops², and we couldn't get electricity in regular ways. We had healthcare co-ops, childcare, co-ops, we've been leading the sector and with worker co-ops in areas like childcare and healthcare and home care, things like that. And these are ways to both, you know, co-ops, I won't go into the details, but they allow not just to increase income and save costs, but also to actually develop wealth because these are profit-sharing strategies. So, within our own economic enterprises, we can structure them in ways that everybody shares the risks as well as the profits we pool our resources in order to buy and have access to things.

We've had lots of success with this, both increasing our income, increasing our wealth, increasing economic stability, providing some self-sufficiency, developing collective agency and action, and even leadership developments by being involved in these kinds of collectives do. I

² Co-op- An association of individuals who come together to jointly own and control enterprises that meet the need of the community that it serves.

just wanna end by saying these efforts have been most effective when they're combined efforts, right? Combining populism, labor organizing, civil rights and economic justice, and economic democracy together so that we can actually not just gain economic power but also have some level of political power and political strategy.

So it's been interesting to see some of the examples throughout history with the [Knight of Labor](#), [Colored farmers national Alliance](#), and cooperative union, even the [Black Panther party](#) groups, like the [Federation of Southern Cooperatives Land Assistance fund](#), all addressing, not just economic stability through cooperatives, but policy changes and making policy changes that will strengthen our solidarity enterprises.

I've talked about this in the past, even adding the issue about sabotage against black co-ops to the case for reparations and looking at cooperatives, in addition to these macro solutions that have been talked about today. Thank you so much. Thank you to Dr. Darity, Dr. Coates, and Wole Coaxum for your insightful remarks and significantly important proposals. I think right now, it'd be time to open up our panel to questions from our audience. If there are any,

Wole Coaxum: While you think about quest getting questions from the audience, I just had a question for the panel in terms of the timing of the proposals. How quickly might we be able to move on the reparations plan, or how quickly can we move on the guaranteed job for everyone in the current political environment?

William Darity: Interestingly enough, the [federal job guarantee](#) is enormously popular with the public at large. In fact, I believe that the last survey that I saw indicated that somewhere in the vicinity of 75 to 80% of all Americans favor it, and it crosses party lines. What's really intriguing is the fact that our elected officials have done very little to seize upon that popularity and to pursue actually legislating a full-scale federal job guarantee. I think that about two years ago, I had a very close consultation with [Corey Booker's](#) office. At that point, they developed a proposal that I think is still in the books for consideration for setting up 15 demonstration projects throughout the United States.

But it hasn't happened yet. The state of Connecticut has adopted something along the lines of a child trust account for all newborn infants in that state, but they have not adopted a federal job guarantee. So I would say that the prospects would be great for this to happen if, for whatever reason, our political leadership would, in fact, put their finger to the wind on this one. Now, with respect to the prospects for the reparations program, we've been waiting 156 years for the debt to be paid, and I don't expect it will be paid overnight, particularly with the current Congress.

So, part of the political struggle that's associated with the reparations project is actually a change in the composition of Congress as it stands. Then I would add to that, though, that there are some signs of optimism in the present moment. One of the big signs is the change in attitude actually among a significant portion of white Americans. If we went back and looked at the surveys that

were taken at the very beginning of this century in the year 2000, only 4% of white Americans endorsed payments to black Americans as an act of reparations; by the year 2018, that percentage had risen to 16.

So st, it is not extraordinarily high, but a lot higher than 4%. Then today, the percentage has risen to about 30%. I will say, though, of course, there's another 30% of the white population who will resist any policy that seeks to improve conditions for black Americans. But I think that if 70% of the population is in a position of flexibility or some degree of open-mindedness, it will make it possible to create an American majority that favors reparations. So, from that standpoint, the pendulum is swinging in the right direction, but we have to keep pushing it in that direction.

Paul Pryde: We have a question from out of the queue: Something you wanted to add, Dr. Coates. Did you have a comment to add?

Rev Delman Coates: I agree with Dr. Darity that a federal job guarantee is tremendously popular right now in all of these surveys that have been done. There's also been some movement in Congress as well, that I think is promising it's something to build upon. There is a companion effort on the health side of the federal Job Development Act, which was to do a pilot of a job guarantee in 15 cities. I had an opportunity to be at the capital when that was presented in September of 2019. Congressman Rush[Bobby Rush] and others were there for that, but also, in February of this year, Congresswoman Ayanna Presley presented the federal job presented in Congress of federal job guarantee resolution. You can read about the federal job guarantee resolution.

We're actually working with folks working on the policy to develop federal job guarantee legislation. I'm really excited about that kind of work, and we're going around the country asking members of Congress to sign on to that resolution. That's really promising; the last thing that I wanna say. I find this really promising; we are seeing members of Congress begin to openly embrace the core insights of modern monetary theory. The chair of the ³House Budget Committee, Congressman John Yarmouth, I believe it was July 17th of this year, talked about modern monetary theory in an explicit way and really underscored the core insights that the federal government is not constrained by revenue.

This is really important because, as Professor Darity and others who are promoting reparations, as those of us who are advocating a federal job guarantee and other activists, we're talking about a green, new deal, Medicare for all, or free public healthcare, the question of how would we pay for it is always going to come up. And so I'm encouraged that we're seeing members of Congress holding public and private meetings with some of the principal MMT[Modern Monetary Theory] economists to understand this very important economic framework as we go forward. So I'm really excited and encouraged by those developments as well.

³ House Budget Committee- A standing committee in the United States House of Representatives whose responsibilities include legislative oversight of the federal budget oversight.

Paul Pryde: Thank you, Dr. Coates. We have a question from one of the members of our audience. Let me read it and see who wants to respond. Looks like Dr. Darity, regarding reparations, we often focus on the governments involved. What are your thoughts and strategies around pursuing corporate and private enemies who have directly participated in and benefited or profited from the transatlantic slave trade, slavery, et cetera?

William Darity: So, first of all, the case for reparations is not exclusively based upon slavery. One of the critical periods of American history that has to be addressed is the nearly century-long period of legal segregation in the United States, which was accompanied by upwards of 100 massacres that took place from the end of the Civil War to the beginning of World War II. Massacres that resulted in extensive loss of black lives, but also the appropriation and seizure of black property by the white mobsters. When Professor Nembhard was talking about black cooperatives and the efforts that the black community has made internally to try to accumulate wealth and economic security, we also have to recognize that there is a history of white violence that has destroyed a significant amount of those efforts. So, that's what we have to incorporate into the case for reparations.

Then, in the post-Civil Rights era, we have mass incarceration. We have ongoing police executions of unarmed blacks. We have ongoing discrimination and credit housing and employment markets. So, it's not exclusively slavery. Now that said, I'm entirely in favor of any of these corporate entities or colleges and universities that have a history of complicity with slavery and the slave trade. Making whatever financial contribution or social contribution they can make to the improvement of the conditions of the Black American community.

But what's problematic is I don't think it's possible to force them to do so. That's because even though all of the practices that they engaged in were deeply immoral, they were entirely legal under the statutes of United States law. So then we have to address which entity is responsible for immoral being legal and that's the federal government ultimately.

So, the federal government is the culpable party, but the federal government is also the capable party. As Dr. Coates just pointed out, only the federal government is not constrained by its tax base or its revenue sources. That's not the case for state and local governments. If you were to take the combined budgets of all state and local governments, it would amount to 3.1 trillion. I've already said that what's required to close the racial wealth gap is somewhere in the vicinity of 12 to \$14 trillion.

What about individual private donors? Well, if private donors put \$1 billion into a fund on a monthly basis, it would require nine centuries to get to \$11 trillion. So, if we are going to try to address a differential in wealth of this magnitude, then we have to focus on the federal government as being the agent to do it. Other entities can make whatever contributions they're

willing to make. But if we really want to address this problem, it's gotta be the federal government.

Paul Pryde: Thank you. I have a question. Dr. Coates, you said that certain members of Congress seem to have been embracing the insights of MMT. The notion is that a government that prints its own currency is not in the same position as a household and can spend what it wants as long as inflation does not get out of hand. What, in your judgment, is keeping more members of Congress from embracing the insights of MMT and the notion that the government can spend as much as it wants, subject to the constraint of conflation?

Rev Delman Coates: Very good question. Where shall I begin? Well, I think first, the conventional household budget model for spending is sort of common sense. It's how most people tend to think about finance. When people think about their home budgeting, they think, oh, well, I need revenue first in order to spend. One of the challenges when it comes to thinking about the federal government's spending capacity is that it really represents a paradigm shift.

So sort of getting people to sort of unlearn everything that they've learned about finance can be challenging, but the other thing I think is important is I get asked often if the federal government literally has the power of the public purse to create money, why doesn't it do it? If we could end poverty inequality fund, a federal job guarantee, and provide free public healthcare, why doesn't the federal government do it? I think it's important to help people understand, and I mean this without sort of disparaging this sector of the economy. I think it's important to help people to understand that the financial sector is incentivized whenever the federal government underutilizes money-creation power for public priorities.

Whenever the federal government does not provide us with adequate funding to address public priorities, that means then that states, counties, cities, and individuals will have to borrow money. Think about the current debates around infrastructure spending earlier this year, members of Congress said that the need was about 6 trillion. Now we're compromising with a compromise, settling for perhaps 1.5 to 2 trillion dollars. The question is, if the need is 6 trillion and we settle on, let's say, 2 trillion, where will the other \$4 trillion come from? Well, it'll come from states and municipalities having to go to Wall Street to issue bonds to borrow the money.

So I believe that, in part, the reticence to address this issue comes from the way in which the financial sector is incentivized to have the public relying on money created through bank lending rather than having money created through public spending, and our money campaign is really designed to have to help shift the way in which we have an economy where most of the medium of exchange, most of what we think of and use as money is created by banks when they make loans. So the reason I believe many members of Congress, many thought leaders, and policy makers struggle with this is that it means changing and shifting our unnecessary reliance on money created through bank lending in order to rely on money created through public spending.

Paul Pryde: Thank you. Well, we have a couple more questions from our audience. One, let me read this one to whoever wants to answer it. What can we do as individuals to help our communities by making economic development easier for the underserved? Does anybody have a thought on that?

Wole Coaxum: Yeah. I have a couple of thoughts on that. I think everyone has a role to play. Some of these ideas aren't particularly new, but they are as relevant today as they've ever been. So, one, I think it is important to hold our public officials accountable in terms of saying bang on the table. What are you doing to increase the level of access to financial resources? We just launched the Angelino Connect account in Los Angeles, which is a free bank account. That's focused on the half a million people, 500,000 people, that are unbanked in Los Angeles.

Mayor Garcetti said this is the most important thing I've done in my 20 years as an elected official in eight years as your mayor. That came about because people were pushing the envelope on that. So that's one idea. Second, there's a tremendous opportunity with financial services organizations in communities called CDFI [Community Development Financial Institution]. Paul, I know you're very familiar with the CDFI infrastructure, and we need to make those entities visible to people who wanna start businesses and to people who wanna buy homes.

I do also think that it's important for us to support in, in a variety of ways, whether they're the corner store or to the construction company, to the consulting firm, we've gotta support black businesses because it's stronger. The black businesses are going back to the earlier notion of cooperative economics; black folks hire black people. If you've got a thriving company, you have the ability to that, that that entity has an ability to, to create jobs. And it's funny: I was on a panel a couple of weeks ago, and someone asked, Hey, you know, how many jobs have you created?

I hadn't really thought about that when I built our company in that way, but we've generated 40 jobs, not all black, but a lot; most people are black. I'm proud of that. So anyway, that's a way for us all to have local impacts. The other thing that I worry a lot about from a day-to-day perspective is just we as a community have a credit score; black folks credit only 25% of us have credit scores greater than 700. I know, and versus our white counterparts, which numbers like 50%, and the truth is we're more of us have higher credit scores than that. So I think there are solutions.

We've got some, but we are really demanding that financial institutions start looking at different ways of underwriting and understanding our communities. It starts with Fannie Mae doing some interesting stuff in that space, but, you know, holding entities to account to say, Hey, you need to start to expand your box. Cause it's it's not a zero-sum game. It's not like if you lend money to somebody, it's reducing the amount of money you can lend to somebody else. The whole ecosystem gets stronger. Anyway, I think holding people accountable in your communities is also an important thing that we can all do.

Williams Darity: I think it's vital that people take whatever constructive steps they can. But I also think it's important that we recognize that the consequences of these steps are going to be limited in terms of their full outcome. It is not possible for the black community, with its current level of resources, to close the racial wealth gap through its own actions. It simply is not. I think we have to be honest about that and thinking about all of these types of actions or steps that people might take. I think people don't fully appreciate how small the scope of existing black businesses is. If you were to take the 21 black banks that are extant at the present moment, they have a total level of assets of slightly less than 5 billion.

We were to look at JP Morgan, Chase alone, for whom you formally worked with Mr. Coaxum, they have in excess of 3 trillion in assets, the 250th ranked white-owned bank in the United States, Bren Mar trust has a higher level of assets than all 21 black-owned businesses. Black-owned banks combined. If you look at retail businesses, all of the black-owned retail businesses in conjunction have less than half of Walmart's retail sales taken alone. So if we start talking about trying to close the racial wealth gap through the route of business development, greater savings activity, and the like we're really whistling in the wind. So, I'm not saying that people should not try to take those steps. I would encourage that we gotta do whatever we can given the current circumstances. But I think we have to be honest that this is not going to do very much about addressing this gaping chasm and wealth. We have to turn to a reparations program.

Rev Delman Coates: Paul Paul, if I may, it's okay; I really wanna reiterate that Dr. Darity's piece, what we get wrong about the racial wealth gap, is critically important for folks to read. You can get it online; just Google it. What we get wrong about the racial wealth gap is that it is too short to read, maybe 50 to 60 pages. It's so powerful because it goes through all of the typical arguments that are used, that we always hear on the street about how, uh, about what we need to address racial disparities in America. People saying, oh, if, if all the black millionaires and billionaires, which there aren't that many, you know, put their money in a pot, you know, then we could get out of poverty, and we could address all of our challenges. Its education. It's critically important for people to get that piece.

But also, what's important is the opening insight. Yes, I agree. We need to use all of these strategies in tandem. This is not about either or thing. It's about both ends. However, the structural piece is very important because the way I envision it is if you put money in your pocket, but there's a hole in the pocket, then it doesn't matter what you put in the pocket, right? So, there are a range of measures that don't close the holes that don't close the gaps in our economy that cause resources and wealth or income to go through our hands and right out of our community.

As important as the range of measures is, we have to close the gap, the whole pocket in our economic pocket, so that we can maintain it. I think that's gonna come from these big, bold policy ideas that ultimately have to be addressed by the federal government. I wanna say this

about the federal government. When we talk about the federal government, we're talking about our government; this, not them. This is not their government. It's like, oh, well, why are you relying on them?

No, the federal government is us. It's ours, right? When we drive on roads, when we send our children to school, and when we talk about harnessing our public power, we're not talking about their money; we're talking about our money and our power. So I think it's important. This is a very important dynamic that has been used to delegitimize the role of government in society and the black community in particular. So, I think that we need to reclaim and re-legitimize the role of government if we're gonna be free today.

Dr. William Darity: Yeah. I'd like to add that it's the national public policy that created the racial wealth gap. So I'm insistent that it's national public policy that has to address it. If you go back to the end of the Civil War, the formerly enslaved were promised 40-acre land grants as restitution for their years of bondage. It's a promise that wasn't kept, but at the same time, one and a half million white families were given 160-acre land grants in the Western territories under the ⁴Homestead Act of 1862. And that's the beginning of the racial wealth gap. It's a consequence of concerted and intentional government policy. In the 20th century, the federal government shifted away from land allocation as the asset-building mechanism to home ownership. And then, when it implements its home ownership and promotion policies, it does.

So in a grossly discriminatory way, I'm thinking about, first of all, the Federal Housing Administration's public-private partnership with local banks that resulted in redlining and credit starvation for black communities or the discriminatory application of the GI bill in the aftermath of world war II, where the homeownership provisions were overwhelmingly given to the white veterans and not given to the black veterans. And so it's public policy that created this intergenerational disadvantage for black Americans. It's not our behavior or practices.

When we attempt to build wealth, it is frequently destroyed or stolen. So as a consequence, it's the federal government that's responsible for changing things, but yes, it's critical to remember that the federal government is a product of the people's decisions. As long as we live in a society where we have majority rule, of course, the science of January 6th, there was a major and concerted effort to impose minority rule in the United States.

Paul Pryde: Thank you. Well, on that, we have another domain question from the audience. What do you think the prospects are for moving our reparations to the Internet through Congress right now?

⁴ Homestead Act of 1862- An act signed by President Abraham Lincoln on May 20, 1862. This act granted 160 acres of land to any US citizen who paid a small filing fee and agreed to live on the land and improve the land for five years.

William Darity: Oh, they're Null in the current Congress, but that's why part of the critical struggle is changing who is in Congress.

Paul Pryde: Okay. Another question is whether teaching our youth financial literacy will help them realize the impact of economic power. In other words, it is an educational component that contributes to our understanding of the issues and solutions.

Wole Coaxum: I think it's important, from my vantage point, for all of us young people in particular, to understand the history that got us to this place in the first place. Right. And to reiterate, not to go back, but to just emphasize Professor Darity's point... in my mind, in many ways, America's working as constructed, which is why we find ourselves in this situation. I think it's important for young people to understand that because that becomes the movement of the future in terms of changing policy. But at the same time, you know, I think it's an and not an or right. It is important to understand that within the constraints of the environment, we find that there are economic opportunities for people, and they should know what those are and position themselves to take advantage of them, right?

Whether it's how to accumulate wealth through investment, how to make a purchase of a home, or understanding what the tools are that are additive as opposed to extractive, So I think there's an educational component that talks about the financial services; if you will, and from a very much blocking and tackling standpoint. At the same time, there's a need to understand history. So people understand what's possible and can have a vision towards what they're working for in terms of their own energies and attitudes to change the structural framework that exists in this country.

Paul Pryde: Okay. Another question, as you mentioned, Dr. Darity and you, Dr. Coates, opponents of reparations, are, and/or federal job guarantee likely to claim that the government can't afford these proposals. Can you tell us a little bit more about MMT and how it can be an effective response to these arguments? This is sort of a groundbreaking idea, as I understand, and I think some of our audience members wanna learn a little bit more about it.

William Darity: Well, I think the government has already implemented MMT and its principles. If you go back to the Great Recession of 2007⁵, the federal government made massive expenditures to try and address that crisis without taxes. If you look at the pandemic period, the American rescue plan⁶ and the CARES act⁷, which preceded the American rescue plan, were all legislative efforts to engage in massive amounts of spending by the federal government. Again,

⁵ Great Recession of 2007-Global economic turndown that devastated world markets that include the real estate industry. Many americans lose their homes to foreclosures, jobs and life savings.

⁶ American Rescue Plan- Also known as the COVID-19 Stimulus plan, that ensured Americans received economic relief during the COVID-19 pandemic by disbursing 1.9 trillion dollars.

⁷ CARES act- A stimulus bill that was pass in 2020 to help assist Americans during the Coronavirus

without raising taxes. The only barrier to additional federal spending is the risk of inflation; as you mentioned earlier, we can design federal expenditure programs in such a way that we can minimize the inflation risk in our book *From Here to Equality*.

When we talk about funding reparations, we propose that one strategy is to have it distributed across the period of 10 years as a mechanism for minimizing the inflation risk. We also talk about the possibility that rather than making direct cash payments, you provide people with less liquid assets so that you could minimize the amount of immediate spending that might take place. So we talk about the possibility of giving people the funds in the form of a trust account or an annuity of some sort. However, the government has already implemented spending practices that are consistent with the principles of MMT.

Rev Delman Coates: You know, whenever I conduct presentations around the country on MMT, I'm always asked, can you tell me what country in the world sort of practices modern monetary theory? I say America, and everyone's stopped, shocked and they're stunned. I think that's because people think modern monetary theory is an alternative economic system, and it's not. MMT is merely a description of how our economy actually works. That's all it is. It does cause us to change the way in which we've been told and taught to think about how money is created and how money is to be used, but it is merely a description of how the economy actually works today. And we've seen right before our very eyes the country created 5 trillion in response to COVID-19 without sending anyone a bill; the federal government created \$5 trillion with tea in a matter of weeks Warren Buffet, Jeff Bezos, Bill Gates, Jay-Z Beyonce, Oprah, no one received the bill in order to fund that stimulus.

So the American people get it right now; people on the street understand that we have been misled when it comes to the sort of false economics of scarcity that has been promulgated here, too, and the public is desperate. They're hungry for new insights and new understanding. So whenever you're a member of Congress who says Medicare for all is unaffordable. Whenever they tell us the lie that we're borrowing money from China and we're kicking the can down the road for our children and our grandchildren to pay, whenever they point to the debt clock in New York, as a basis for why we can't afford public priorities, it's all a lie. We've been misled about the capacity of the federal government by making people think that the federal government's wallet is like my parents, right? So my parents I could give them a huge list of clothes that I wanted to wear to go back to school.

My parents would say, Hmm, it totals \$3,000, but you have 300. I had to fit my desires within the budget that my parents gave me. Well, that's how my parents' household budget works. However, the federal government's capacity to spend does not work like that. And actually, we should want more and not less federal government spending. The deficit is merely a record of the nation's money supply.

We ought to.. is merely a record of how much money the federal government has invested in public priorities, you know, since the beginning. So if the national debt clock is 28, 29 trillion, we, that is not a record of how much we owe. It's merely a record of how much the federal government has invested in public priorities. Whenever the federal government is in deficit, we're in surplus, and with that surplus, we can spend on small businesses, and we can stimulate our economy.

More importantly, we can reduce our household reliance on debt. The average American is working 40 to 50 hours a week to pay back interest on borrowed money, on a mortgage, a school loan, a car note, credit cards, and, to some degree, their taxes. And so we need to get the American people out of debt and economic bondage. And that's only gonna come from harnessing the power of the public purse for public priorities. Some of the same members of Congress who are talking about, um, this spending is unaffordable had nothing to say in 2017 when President Trump proposed those tax expenditures. I wanna strongly encourage those of you listening to get the article *Dog Whistles and Deficits*.

We just had some of the nation's leading black economists, Dr. Darity, Dr. Derek Hamilton, and Dr. Nina Banks, some of our best and brightest minds co-author cosign an article entitled *Dog Whistles and Deficits* to talk about the way in which whenever spending is done for poor people or black and brown people. All of a sudden, this spending became unaffordable in the aftermath of the civil rights movement. When it became unpopular to be overtly racist until Trump, there were these dog whistles that were used to deny and hold up spending for priorities that will benefit black and brown people. Those dog whistles have to do with deficits, debt, and fiscal responsibility. We can change this to build an economy that works for us rather than an economy that works against us.

Paul Pryde: Thank you. We've got time for a couple more questions. I have an interesting one here; given the key position internationalization plays in wealth creation, be it modern multinational companies or the slave trade and industrial revolution, shouldn't Africa's growth and potential to benefit from this come up in this conversation? In other words, what about Africa in this discussion of wealth creation and economic progress in the black community?

William Darity: Well, I'm not sure how it connects directly to the black community in the United States, but I've been consistent in saying that virtually all communities in the diaspora, the black or African diaspora, have a claim for reparations, but not necessarily a claim on the United States government. So, there is nearly a claim that virtually all of the nations of Africa can make on the respective countries that colonized them. The countries of the Caribbean can all make claims on the countries that colonized and enslaved their ancestors. That's how I would answer that question to the extent that reparative justice can promote economic growth in other countries, particularly those countries that have been subjected to the oppression of colonization, then that's associated with the particular claim that they make for restitution from the countries that have been the culpable party in the context of their particular historical experience.

Paul Pryde: Thank you. We have one final question. I think this is for Dr. Nembhard. What would it take to get the American school system to educate our youth about cooperative economic development, in other words, working together for our mutual benefit?

Dr. Jessica Gordon- Nembhard: Hi, great question. I think a couple of things, one, we can start small. We can start by getting school-based, after-school, and community-based programs to get young people to start their own co-ops, which is a great education, right? It gives them education about how to start and run a co-op. It also helps them to see why they need math, reading, and writing and helps motivate them to keep in school. So we can do that sort of outside. We can also get programs within the school because we also know that the latest pedagogy actually talks about how important it is for people to learn together, right? Collectively, cooperative learning is actually an important pedagogic tool. So we can use the current pedagogies to suggest that the curriculum needs to change instead of making it cheating to consult with another student, right?

It's learning, you know, it's collective learning, and using that. And I say that because that's part of the strategy for cooperative economics, which is just to learn how to think together and how to make decisions together, that kind of thing. So we just need some of the basic sorts of socialization about how to work together and develop social capital. So if we can focus on that, that's the easiest thing we can, as I said, bring in the latest pedagogies that say this is better.

Once we start there, and especially if we have young people doing their own co-ops, then we can get communities demanding that there actually be official cooperative economics training in the histories that I've done. We've actually had black community groups that did their own and started their own courses. We have some groups that actually put in an after-school program or an evening class where they started to teach their own programs.

Then, it got so well attended that it was integrated back into the standard curriculum. So those kinds of things of starting it on our own, getting it motivated by young people, doing it already, and then getting their young people and their parents to demand it, I think, are probably, the most practical ways. We already have good curricula out there. We already have other countries that teach it in school. So it's not like we have to start from scratch. It's really back to that. Will, I think everyone's been talking about this, right? All this stuff is possible. We have to change the people, the policymakers will, right? We all know you all have talked brilliantly about how we can do all this stuff. Now. It's about how we convince people to do it.

Paul Pryde: Thank you very much. Well, I'm told it's time to wrap up our panel. I wanna thank you all for joining us. I hope our audience found our panel encouraging and informative, and it was food for thought and for hope. I wanna thank our panelists, in particular, for their very, very valuable insights. I wanna thank the organizers and the conference itself for making this panel possible, and a special shout out to those technologists. You know, who you are who helped me

to get on to use this technology with which I'm not that familiar success. So, once again, thank you for joining us, and I hope you take this panel's thoughts with you and renew your determination to change the economic future of our community. Thanks a lot.