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A Dime on the Dollar: Linking Economic Markets with Racial Oppression of Black Americans

Marquell Williams

Public Policy and International Affiars Program, Carnegie Mellon University - Heinz College of Information Systems and Public Policy

America did not always provide its notorious freedom to all citizens. Although the Declaration of Independence proclaimed that "all men are created equal" and gave American colonists freedom from the British empire in 1776, Black Americans did not gain freedom from enslavement until the Emancipation Proclamation in 1863. Even so, it took until Juneteenth, June 19, 1865, for the last Americans to gain their freedom. In the 155 years following Juneteenth, the legacy of slavery remained present in American systems and persists to this day. This legacy reveals itself most tellingly in the Black-White racial wealth gap; systems of criminal justice, housing, education, and labor; and racial segregation. The inequities present in these areas demonstrate not only a mere discrepancy but rather a clear denial of the freedom gained by other Americans in 1776.

The wealth gap between Black and White Americans suggests that progress made toward racial equality have not yet created equality. In America, the average wealth for White families is tenfold that of Black families as of 2016—On average, Black families have a net worth of $17,150 compared to a net worth of $171,000 for White families.[1] In a capitalist society where consumer capital determines welfare, wealth inequities matter. Despite generations of Black Americans fighting for equality, they have yet to obtain access to a life of financial security.

The past, overt mechanisms of racial oppression of Black Americans, such as slavery, Black Codes, Jim Crow laws, and mob violence, had extensive frameworks and were easily identifiable. Modern strategies of racial oppression, in comparison, remain unnamed and operate covertly on a systemic level. Thus, the study of Black oppression requires attention to new mechanisms of racial oppression which do not inherently focus on race but exploit existing disparities from past racial inequities. Black Americans will not achieve economic equality and justice until the federal government uncovers and dismantles hidden mechanisms of racial oppression.

In this paper, I argue that Black Americans face disguised barriers to financial security and closing the racial wealth gap through discriminatory criminal justice practices and segregation policies which impact housing, labor, and education markets. First, I provide historical context for the evolution of legal racism from overt (de jure) oppression to covert (de facto) oppression. Second, I investigate the use of the criminal justice system and segregation as tools of economic oppression, operating through market forces in the housing, labor, and education sectors, thus creating and perpetuating the racial wealth gap. Third, I propose two policy recommendations to close the racial wealth gap and promote racial equality in America. The first proposes policies to end mass incarceration and relieve Black communities from the adverse economic effects of discrimination, and to grant Black communities legal protection from racially motivated violence and persecution. The second recommendation proposes reparative justice utilizing affordable housing and universal basic income as sources of reparations for economically deprived Black communities, therefore offering them housing security and a means to economic opportunity, as well as further integrating American society.

The Foundation of the Racial Wealth Gap

The root of the racial wealth gap lies in the root of American economic prosperity: slavery. Some scholars argue that slavery hindered the American economy during the Industrial Revolution by increasing reliance on slave labor.[2] According to Matthew Desmond, however, the expansion of slavery fueled the Industrial Revolution: "In 1810, there were 87,000 cotton spindles in America. Fifty years later, there were five million. Slavery, wrote one of its defenders in De Bow's

1 Kriston McIntosh, Emily Moss, Ryan Nunn, and Jay Shambaugh, "Examining the Black-white wealth gap," Brookings Institution, Brookings Institution Press, February 2020, https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/.

2 Carl Smith, "How Slavery Hurt the U.S. Economy," Bloomberg, Michael Dukmejian, August 2019, https://www.bloomberg.com/opinion/articles/2019-08-25/how-slavery-hurt-the-u-s-economy. & Phillip Magness, "A Comment the 'New' History of American Capitalism," American Institute for Economic Research, August 2019, https://dx.doi.org/10.2139/ssrn.3438828.

Review, a widely read agricultural magazine, was the 'nursing mother of the prosperity of the North.'"[3] Slavery grew the American economy by providing inexpensive labor for the profitable export of cotton.

Despite the profitability of King Cotton, enslaved Blacks did not reap the financial benefits. Plantation owners subjected enslaved Blacks to chattel slavery, meaning plantation owners "owned" the entire enslaved family's lineage. While plantation owners and other helping hands got rich from the labor of Black Americans, this wealth never reached the hands of the enslaved, during or after emancipation.

After the Emancipation Proclamation, the economic self-interest of acquiring free labor drove Southern plantation owners to create a new system of oppression of Black Americans in sharecropping. Having lost their main source of wealth and cheap labor, White southerners began allowing Black tenants the opportunity to cultivate the land in exchange for a portion of the harvest as rent. However, because of falling cotton prices and poor financial choices, sharecropping rarely produced profits for newly freed Blacks who found themselves in debt year after year.[4]

Black Americans' alternative to sharecropping involved work paid by wage. They possessed the skills to do such wage work. In 1865, skilled Black workers outnumbered skilled White workers; White workers retaliated to Black Americans' search for wage work with violence to force Black workers back into unskilled, low-wage opportunities.[5] Black Americans stopped seeking these economic opportunities because it could result in violence, so they returned to sharecropping which offered them little growth in wealth.

Faced with no wealth and no access to high-wage employment, many Black Americans called for land as reparations after the Civil War. The Homestead Act of 1862 provided 260 million acres of land for American citizens and the Southern Homestead Act of 1868 provided an additional 46 million acres of land, which Black families rarely saw. Though the federal government ultimately provided over 1.6 million families with land, Black families were a negligible 0.3 percent of these families.[6] The denial of land for Black Americans deepened wealth inequities, as the government left nothing for its Black citizens while giving White Americans, native and immigrant, means to livelihood and income. As historian Keri Leigh Merritt authored, "With the advent of emancipation, therefore, Blacks became the only race in the US ever to start out, as an entire people, with close to zero capital. Having nothing else upon which to build or generate wealth, the majority of freedmen had little real chance of breaking the cycles of poverty created by slavery, and perpetuated by federal policy."[7] Black Americans had the capacity to build wealth and to be productive members of society, but a lack of reparations prevented them from having enough capital to own businesses.

While some Black Americans were forced to take on low-wage work in the form of sharecropping, others were still subjected to providing free labor. Ratified by Congress in 1865, the thirteenth amendment to the Constitution outlawed slavery, stating, "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."[8] However, a new system, rooted in the idea of Black criminality, immediately exploited the provision that made exceptions for criminals. Although this new system operated differently from the slave trade, it maintained the mechanism of using Black Americans for cheap labor. Police began arresting free Black Americans, often for petty crimes, and often resulting in lifetime sentences of indentured servitude to anyone willing to buy their service. In the publication "Study on the Status of Black Criminology in the United States," Julius Debro and Helen Taylor give insight into this process: "The effect of the convict-lease system linked crime and slavery into Black offenders minds in such a way that it was indistinguishable from slavery itself…Whites who had the machinery of the law in their hands used the courts as an instrument to continue slavery."[9] This system enabled White southerners to engage in de jure oppression with no political backlash. Soon, however, the public began to view discrimination and oppression as morally reprehensible, necessitating the transition to covert, de facto oppression that evaded the public eye while permeating through the economy.

3 Matthew Desmond, "In order to understand the brutality of American capitalism, you have to start on the plantation," New York Times, August 2019, https://www.nytimes.com/interactive/2019/08/14/magazine/slavery-capitalism.html.

4 Sharecropping and Changes in the Southern Economy," PBS, Accessed July 20, 2020, https://www.pbs.org/wgbh/american-experience/features/reconstruction-sharecropping-and-changes-southern-economy/

5 Ibid.

6 Keri Leigh Meritt, "Land and the roots of African-American poverty," Aeon, March 2016, https://aeon.co/ideas/land-and-the-roots-of-african-american-poverty.

7 Ibid.

8 U.S. Const. amend. XIII,§ 1.

9 J. Debro and H. Taylor, "Study on the Status of Black Criminology in the United States," National Criminal Justice Reference Center, 1978, https://www.ncjrs.gov/App/Publications/abstract.aspx?ID=51596.

The Civil Rights Movement accelerated this transition to more covert acts of oppression by shining an international spotlight on the plight of Black Americans and prompting American lawmakers to finally make overt acts of racial oppression illegal. President Truman outlawed segregation in the armed services in 1948, and racial segregation in public schools became unconstitutional in 1954. Three years later, President Eisenhower sent federal troops to escort the Little Rock Nine to an integrated school and signed voter protections into law with the Civil Rights Act of 1957. Seven years following this, President Johnson outlawed employment discrimination in regard to race, color, sex, religion, and national origin. A year later, he signed the Voting Rights Act of 1965 to outlaw voter suppression. Finally, he signed the Civil Rights Act of 1968 which outlawed discrimination of race, religion, and national origin for housing applications.[10] This series of laws contributed to progress toward racial equality and signaled that the public opinion regarding racial oppression had changed.

In response to this progress toward racial equality, power structures adapted and began implementing mechanisms to operate covertly, shifting the narrative to one that focused on non-racial topics while producing racial effects. In Covert Racism: Theories, Institutions, and Experiences, David Dietrich and Eduardo Bonilla-Silva propound that institutional racism has evolved into a new, more lucrative mechanism, termed "New Racism": "The elements that comprise this new racial structure are: 1) the increasingly covert nature of racial discourse and racial practices; … 4) the invisibility of most mechanisms that reproduce racial inequality; and, finally, 5) the rearticulation of some racial practices characteristic of the Jim Crow period of race relations."[11] New Racism replaced old systems of oppression through social and economic changes.

The next section of this paper addresses these three elements of New Racism. Specifically, I examine policies and practices related to criminal justice and segregation, which impact housing, labor, and education. This examination will provide insight into how these mechanisms work on the market level to enforce the economic oppression of Black Americans and maintain the racial wealth gap.

10 History.com editors, "Civil Rights Movement Timeline," History.com, December 2017, https://www.history.com/topics/civil-rights-movement/civil-rights-movement-timeline.

11 R.D. Coates, Covert Racism: Theories, Institutions, and Experiences, Brill, 2011, https://brill.com/view/title/18157.

Economic Oppression via Black Criminality

While community policing evolved separately in the North and South, both origins lie in the economic interests of powerful men. Before the 1800s, volunteers made up policing efforts and their ineffectiveness inspired the development of private for-profit policing. Affluent Southerners paid private police for protection. These private police efforts later evolved into the slave patrol. Slave patrols served to catch the enslaved, deter revolts from the enslaved, and discipline/abuse the enslaved.[12] After the Civil War, slave patrols evolved into police unions. At the same time, affluent Northerners successfully lobbied for police unions to become an official job paid for by the public. As the Black and immigrant populations increased in the North, the affluent argued police were necessary to maintain social order.

Affluent capitalists had financial incentives to support the police force, as the police were used to control the laboring class. Historian Gary Potter explains the incentives that business owners had for police expansion in "The History of Policing in the United States." Potter notes that increasing inequality, long hours, low pay, and dangerous working conditions created civil unrest, which police officers quelled through force:

> The modern police force not only provided an organized, centralized body of men legally authorized to use force to maintain order, it also provided the illusion that this order was being maintained under the rule of law, not at the whim of those with economic power… It is incorrect to say the late 19th and early 20th-century police were corrupt, they were in fact, primary instruments for the creation of corruption in the first place.[13]

Police institutions, from their inception, exacerbated inequalities in Black communities and advanced the perception of Black criminality.

Black criminality, corrupt police forces, and the practice of leasing convicts to private businesses meant that Black Americans deemed guilty of petty crimes could potentially serve a lifetime of indentured servitude. Businesses had total control over the treatment of their prisoners after purchasing their service. Nearly all, approximately 95 percent, of the prisoners that underwent convict leasing between 1865 and 1980 were Black[14].

12 Chelsea Hansen, "Slave Patrols: An Early Form of American Policing," National Law Enforcement Museum, July 2019, https://lawenforcementmuseum.org/2019/07/10/slave-patrols-an-early-form-of-american-policing/.

13 Gary Potter, "The History of Policing in the United States," EKU School of Justice Studies, Accessed July 5, 2020, https://plsonline.eku.edu/sites/plsonline.eku.edu/files/the-history-of-policing-in-us.pdf.

14 S. Mintz and S. McNeil, "Convict Lease System," Digital History, 2018,

Described by authors Mintz and McNeal, "Mines and plantations that used convict laborers commonly had secret graveyards containing the bodies of prisoners who had been beaten and/or tortured to death. Convicts were forced to fight each other, sometimes to the death, for the amusement of the guards and wardens."[15] This free labor deepened the racial wealth gaps already intensified through slavery and sharecropping by enriching business owners while leaving enslaved and traumatized prisoners to reenter society with no financial gain from their indentured servitude.

After the Civil Rights Movement and the evolution of New Racism, Black criminality and incarceration evolved into a more subtle but equally damaging institution. This change largely resulted from President Richard Nixon's War on Drugs which destabilized Black communities by arresting Black people en masse. According to the American Enterprise Institute, "Intensified enforcement of drug laws subjected Blacks, more than Whites, to new mandatory minimum sentences—despite lower levels of drug use and no higher demonstrated levels of trafficking among the Black than the White population." [16]

Mandatory minimums for crack cocaine offenses also exemplify New Racism. While 66 percent of crack users are White or Hispanic, Black crack users make up 80 percent of all convicted cases.[17] Urban policing and the concentration of impoverished Black communities either directly cause or severely exacerbate these inequities. After being released from prison on a drug-related charge, offenders, who are disproportionately Black, face several economic and financial consequences. A drug conviction can mean the loss of federal financial support for education, public assistance, access to public housing, civil service jobs, and other government services.[18] These consequences are infrequently attached to other crimes, subtly referring to element one of New Racism, the covert nature of racial practices.

In a 1994 interview, John Ehrlichman, counsel to the Nixon administration, revealed the motivations behind the War on Drugs. As reported by Dan Baum, Ehrlichman admitted:

> "The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and Black people. You understand what I'm saying. We knew we couldn't make it illegal to be either against the war or Black, but by getting the public to associate the hippies with marijuana and Blacks with heroin, and then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did."[19]

If Ehrlichman, who died in 1999, took this information to his grave it might have been impossible to prove that the War on Drugs was racially motivated. The Nixon administration designed this criminal justice reform to hinder the Black community, comparable to the motivations behind the creation of police, and in line with the evolution of New Racism.

Extensive knowledge of the criminal justice system is required to prove that disparities in judicial outcomes have racial foundations. This challenge resonates with many elements of New Racism, most notably the re-articulation of Jim Crow practices. Today's popular research identifies poverty as a defining factor of criminal injustice. A 2016 report by the Prison Policy Initiative found that incarcerated persons had 41 percent of the income of their non-incarcerated peers.[20] Furthermore, the report noted severe and persistent economic effects of a criminal conviction; "poverty is not only a predictor of incarceration; it is also frequently the outcome, as a criminal record and time spent in prison destroys wealth, creates debt, and decimates job opportunities."[21] Means of economic mobility have long eluded Black Americans, who disproportionately experience poverty and involvement in the criminal justice system.

The United States has the highest rate of incarceration in the world. The U.S. houses 20 percent of the world's prisoners despite representing only 5 percent of the world's population.[22] This level of mass incar-

https://www.digitalhistory.uh.edu/disp_textbook.cfm?smtid=2&psid=3179.

15 Ibid.

16 Mark Perry, "The shocking story behind Nixon's declaration of a 'War on Drugs' on this day in 1971 that targeted blacks and anti-war activists," American Enterprise Institute, June 2019, https://www.aei.org/carpe-diem/the-shocking-story-behind-nixons-declaration-of-a-war-on-drugs-on-this-day-in-1971-that-targeted-blacks-and-anti-war-activists/.

17 Cracks in the System: 20 Years of the Unjust Federal Crack Cocaine Law. https://www.aclu.org/other/cracks-system-20-years-unjust-federal-crack-cocaine-law

18 Deborah Small, "The War on Drugs Is a War on Racial Justice," Social Research 68, no. 3, (2001): 896–903. https://go.gale.com/ps/anonymous?id=GALE%7CA80310023&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=0037783X&p=AONE&sw=w.

19 Dan Baum, "Legalize It All," Harper's Magazine, June 2013, https://harpers.org/archive/2016/04/legalize-it-all/.

20 Meredith Booker, "The Crippling Effect of Incarceration on Wealth," Economic Policy Institute, April 2016, https://www.prisonpolicy.org/blog/2016/04/26/wealth/.

21 Wendy Sawyer and Peter Wagner, "Mass Incarceration: The Whole Pie 2020," March 2020, https://www.prisonpolicy.org/reports/pie2020.html.

22 Peter Wagner and Wanda Bertram, "What percent of the U.S. is incarcerated? (And other ways to measure mass incarceration)," Prison Policy Initiative, January 2020, https://www.prisonpolicy.

ceration costs taxpayers $80 billion a year. Meanwhile, families of incarcerated individuals pay, on average, an additional $15,000 on fines, fees, commissary, phone calls, and other expenses.[23] The criminal justice system is unjust but not broken; rather, it serves its original purpose flawlessly. Poor and Black people are overrepresented in the criminal justice system, often for nonviolent crimes, and lose a significant amount of income potential if released. New Racism impacts the criminal justice system by shifting the focus of criminal justice disparities to poverty and economics, rather than race and racial oppression.

Economic Oppression via Segregation

Segregation can have impacts on various aspects of life. This includes institutions organized on the neighborhood level such as grocery stores and churches, but also locally funded institutions like public schools, higher education, healthcare, transportation, etc.[24] I will argue de jure and de facto segregation serve the same goal: to prevent economic mobility for Black citizens. The criminal justice system and the racial discrimination in housing, wages, and education markets reinforce the oppressive effects of segregation. This provides insight into how the market mechanisms of New Racism uphold the racial wealth gap without explicitly focusing on race, de jure segregation, or oppression.

Southern legislators intended to safeguard the racial wealth gap through de jure segregation. After the Civil War, emancipation gave Black Americans hope that they would participate in the political system as equals to White Americans. History affirms this has yet to happen. The Compromise of 1877 ended the Reconstruction Era and the promise of equality for Black Americans. Southern legislatures first disenfranchised Black voters through violence, fraud, poll taxes, and restrictive registration practices.[25] In turn, disenfranchisement facilitated Jim Crow laws, bringing about de jure segregation. Jim Crow laws began in the 1870s and denied Black Americans the right to present themselves in White spaces, vote, hold jobs, and obtain an education, which are necessary tools for economic mobility.[26] Southerners systematically barred Black Americans from economic and social progress as soon as they began showing signs of political engagement and activism.

The government further exacerbated the disparities in segregated communities by redlining, or refusing wealth-building services in Black communities while providing them in White communities. The Federal Housing Administration aided this endeavor in its refusal to insure mortgages in Black communities. The Federal Housing Administration provided subsidies for builders “mass-producing entire subdivisions for Whites—with the requirement that none of the homes be sold to African-Americans.”[27] This practice began 70 years after the Homestead Acts, which subsidized land and homeownership solely for White citizens. White legislators used their political power to ensure that Black citizens did not obtain equality through economic mobility.

Economically depressed communities and Jim Crow laws fueled the Great Migration, where more than six million Black Southerners moved north between 1916 and 1970 to seek opportunity.[28] Compared to Southern de jure segregation, Northern segregation operated through de facto practices of White flight even though it had legal frameworks. White Northerners began fleeing right after the Great Migration began. A study of the emergence of American segregation found “White departures in response to Black arrivals were quantitatively large and accelerated between 1900 and 1930” and that “White flight can explain 34 percent of the increase in segregation over the 1910s and 50 percent over the 1920s.”[29] This form of segregation resulted from de facto practices, acted by individual homeowners and not by the government. Those who could afford

org/blog/2020/01/16/percent-incarcerated/.

23 “Mass Incarceration,” American Civil Liberties Union, Accessed July 15, 2020, https://www.aclu.org/issues/smart-justice/mass-incarceration. https://www.aclu.org/issues/smart-justice/mass-incarceration.

24 “State and Local Expenditures,” Urban Institute, 2017, https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/state-and-local-expenditures#Question1.

25 Morgan Kousser, “The Shaping of Southern Politics: Suffrage Restriction and the Establishment of the One-Party South,” Yale UP, 1974. & Samuel Issacharoff, Pamela Karlan, and Richard Pildes, “The Law of Democracy,” Foundation Press, 1998, http://www.umich.edu/~lawrace/disenfranchise1.htm?promocode=LIPP101AA?

26 History.com editors, “Compromise of 1877,” History.com, November 2019, https://www.history.com/topics/us-presidents/compromise-of-1877.

27 Terry Gross, “A ‘Forgotten History’ Of How The U.S. Government Segregated America,” National Public Radio, May 2017, https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america.

28 History.com editors, “The Great Migration,” History.com, March 2010, https://www.history.com/topics/black-history/great-migration.

29 Allison Shertzer and Randall Walsh, “Racial Sorting and the Emergence of Segregation in American Cities,” The Review of Economics and Statistics 101, no. 3 (July 2019): 415–27, https://doi.org/10.1162/rest_a_00786.

to remove themselves from increasingly Black communities proved that de facto racial segregation could exist without government intervention.[30]

Economic and social oppression followed de jure segregation in the South and de facto segregation in the North. In both places, preserving Black oppression required the transition from de jure racism to de facto racism after the Civil Rights Movement. The role of de facto segregation necessarily increased after de jure segregation became illegal. De facto segregation, a market failure, provided the new market mechanism for Black economic oppression.

The Civil Rights Act of 1964 and the Voting Rights Act of 1965 deemed Jim Crow laws unconstitutional. In line with the evolution of other systems of oppression to New Racism, these overt mechanisms of segregation then shifted to economic mechanisms to achieve the same results for Black communities. In the housing, labor, and education markets the free market prevented Black citizens from escaping the conditions of de jure segregation, leaving them in economically depressed and segregated communities despite legal protections against de jure discrimination.

According to the Federal Reserve Bank's manual on the Fair Housing Act, denying loan applications must have justification "on the basis of economic factors and without regard to the race, color, religion, national origin, sex, or marital status of the prospective borrowers or the residents of the neighborhood in which the property is located."[31] Despite legal protections, redlining and racial segregation never fully reversed itself. A study of segregation and economic inequality reported, "nationally, nearly two-thirds of neighborhoods deemed 'hazardous' are inhabited by mostly minority residents, typically Black and Latino" and "On the flip side, 91 percent of areas classified as 'best' in the 1930s remain middle-to-upper-income today, and 85 percent of them are still predominantly White."[32] Despite the outlaw of de jure segregation, the legal practice of de facto segregation made it so there was only a slight change in the lived experiences of people in these communities. The impact of segregation on criminal justice systems, as well as housing, education, and labor markets ultimately serve as a barrier to Black financial security and economic mobility.

Segregation's Impact on Criminal Justice

De jure segregation gave White Southerners legal power to discriminate against Black Americans with the strength of the criminal justice system to enforce it with fines, arrest or jail time, violence, and even death.[33] The legality of Jim Crow laws gave government officials the power to maintain the oppression that began with American chattel slavery. Starting at the plantation and continuing into the newest millennium, the American criminal justice system intensifies pre-existing inequalities and segregation provided the context needed for corrupt police to exploit the stereotype of Black criminality.

America's police violence towards its Black citizens operates as a system, created by centuries of practice and evolution. Contrary to the notion of Black criminality, racialized police violence implicates police criminality. In a 2016 study of excessive force, researchers identified racialized police violence as "a systemic and structural problem."[34]

Police officers, now and in the past, focus their efforts in Black and low-income communities. In a study measuring the relationship between police strength and racial segregation from 1980-2010, researchers found a significant positive correlation between police presence and levels of residential racial segregation.[35] This finding holds consistent with the exploitation of the stereotype of Black criminality and continues the trend of Black oppression via the criminal justice system. This elaborate system undergoes vast and fast changes to maneuver the legal protections Black citizens slowly gained throughout history. Jim Crow laws differ from Black codes but served the same purpose and produced similar effects. These laws resonate with the inception

30 Tracy Jan, "Redlining was banned 50 years ago. It's still hurting minorities today," Washington Post, March 2018, https://www.washingtonpost.com/news/wonk/wp/2018/03/28/redlining-was-banned-50-years-ago-its-still-hurting-minorities-today/.

31 "Fair Lending: Fair Housing Act," The Federal Reserve Board, January 2006, https://www.federalreserve.gov/boarddocs/supmanual/cch/fair_lend_fhact.pdf.

32 Bruce Mitchell and Juan Franco, "Holc 'Redlining' Maps: The Persistent Structure of Segregation and Economic Inequality," NCRC, 2016. https://ncrc.org/holc/.

33 History.com editors, "Jim Crow Laws," History.com, June 2020, https://www.history.com/topics/early-20th-century-us/jim-crow-laws.

34 Devon Carbado and Patrick Rock, "What Exposes African Americans to Police Violence?" Harvard Civil Rights-Civil Liberties Law Review, Volume 51, accessed July 20, 2020, https://harvardcrcl.org/wp-content/uploads/sites/10/2009/06/HLC104_crop.pdf.

35 Stephanie L Kent and Jason T Carmichael, "Racial Residential Segregation and Social Control: A Panel Study of the Variation in Police Strength Across U.S. Cities, 1980-2010," American Journal of Criminal Justice: The Journal of the Southern Criminal Justice Association, 39 no. 2 (2014): 228–49. https://doi.org/10.1007/s12103-013-9212-8.

of police to oppress and control Black communities.

Unsurprisingly, policing bias has produced a Black-White disparity in fatal police encounters. Segregation impacts the criminal justice system by altering police practices in Black communities compared to integrated communities. In a city-level study measuring racial disparities in fatal police shootings from 2013 to 2017, researchers identified racial residential segregation as a "significant predictor of the magnitude of the Black-White disparity in fatal police shootings at the city level" and ultimately concluded that structural racism must be addressed to eliminate these disparities.[36] In the modern century, perceptions of Black criminality amplify in communities with a greater concentration of Black Americans, which is directly correlated to increased police violence.

The criminal justice system originated from Black oppression and de jure segregation. The system's evolution to de facto segregation included shifts toward New Racism which ensured it served the same purpose. White citizens confined Black citizens to predominantly Black communities by first making it illegal and then unaffordable for Black Americans to enter White communities. These efforts intensified the oppression any one Black citizen might face in an economically depressed community. At the same time, White citizens augmented their economic means in their own communities. In the context of criminal justice systems, the financial forecast for convicted persons compounded as they became concentrated in the same local economic systems. As de jure segregation became illegal after the Civil Rights Movement, these less obvious mechanisms of oppression became integral to maintain White supremacy through Black oppression.

Segregation's Impact on Economic Markets

Segregation in Black communities during the 1900s engendered low-quality housing, low-wage jobs, and under-resourced schools for its residents.[37] The absence of these quality financial assets prevented migration into high resource communities, as homes in these areas cost more than what a low-wage job could pay for.[38] White flight sunk the remaining Black citizens' real estate values, effectively driving away wealth buyers and inhibiting Black intergenerational economic mobility.[39] After segregation became illegal, de jure segregation catalyzed conditions for de facto segregation to establish itself as the way of life for Black and White Americans alike. De jure segregation meant that segregated communities had to participate in inequitable economic markets that prevented their capital accumulation and economic advancement.

Segregation and Housing Markets

The federal government supported homeownership with the Homestead Act of 1862, the Southern Homestead Act of 1868, the Federal Home Loan Bank Act of 1932, and 13 other acts between 1862-1949.[40] The federal government segregated the housing market by consistently supporting homeownership as a tool to create wealth for low-income White Americans, while simultaneously denying Black Americans reparations after gaining freedom from slavery.

Housing segregation prevented Black families and individuals from owning property and gaining intergenerational wealth.The opportunity of homeownership was denied to Black citizens until the end of the Civil Rights Movement. This reality is still the experience of many Black American communities. In 2017, the Urban Institute found that college-educated Blacks have lower odds of homeownership than White high school dropouts, and that the gap in homeownership between White and Black Americans grew since the time housing segregation had legal standing.[41] Some force outside of legal segregation–New Racism– sustains and increases the gap in homeownership between Black and White Americans. As a primary tool for wealth creation and

36 Michael Siegel, Rebecca Sherman, Cindy Li, and Anita Knopov, "The Relationship between Racial Residential Segregation and Black-White Disparities in Fatal Police Shootings at the City Level, 2013-2017," Journal of the National Medical Association 111, no. 6 (2019): 580–87. https://doi.org/10.1016/j.jnma.2019.06.003.

37 Anti-Poverty Network of New Jersey, and Structural Racism and Poverty Working Group, "The Uncomfortable Truth : Racism, Injustice, and Poverty in New Jersey : Summary of Policy Recommendations," Ewing, New Jersey: Anti-Poverty Network of New Jersey, 2017, http://www.antipovertynetwork.org/resources/Documents/The%20Uncomfortable%20Truth%20Final%20-%20web.pdf.

38 Population Reference Bureau, "White Flight: Property Values, Neighborhood Quality Most Often Cited," EurekAlert! Science News, November 21, 2002. https://www.eurekalert.org/pub_releases/2002-11/prb-wfp112102.php.

39 Margalynne Armstrong, "Race and Property Values in Entrenched Segregation," 52 U. Miami L, Rev. 1051, 1998, http://repository.law.miami.edu/umlr/vol52/iss4/7.

40 House Committee on Banking, Finance, and Urban Affairs, "A Chronology of Housing Legislation and Selected Executive Actions, 1892-1992," House Committee on Banking, Finance and Urban Affairs, December 1993, https://www.huduser.gov/publications/pdf/HUD-11661.pdf.

41 Caitlin Young, "These Five Facts Reveal the Current Crisis in Black Homeownership," Urban Institute. Rowman & Littlefield, July 31, 2019. https://urbn.is/2YwV9fV.

achieving the American Dream, homeownership disparities have undoubtedly contributed to the persistence of the racial wealth gap.[42] The driving force of New Racism also influences labor and education markets, exacerbating homeownership disparities in a self-reinforcing system of oppression for Black communities.

Homeownership provides family stability and promotes intergenerational wealth.[43] White citizens, opposing racial equality, stunted Black citizens' ability to own property. They achieved this first by stealing reparative land, then enacting Jim Crow laws, and finally by implementing exclusionary zoning practices. Meanwhile, legislators provided government-funded stimuli for homeownership exclusively to White citizens. Today, de facto segregation and discrimination–multiplied by the effects they have on housing, labor, and education markets–leave many Black urban poor with only the option to rent housing, which is less profitable than homeownership long term.[44] Housing disparities, compounding over generations, helped create and uphold the racial wealth gap. The Center for American Progress identified the convoluted system:

> Significant disparities still exist between African Americans and non-Hispanic Whites in terms of access to homeownership, quality education, and employment, among other assets. These disparities are reflected in persisting residential segregation and a racially segmented housing market—and they have significant implications for African Americans' economic mobility. Segregation, disparate access to credit and homeownership, and the consistent devaluation of homes in Black neighborhoods combine to constrict the ability of African Americans to build equity and accumulate wealth through homeownership.[45]

How does New Racism maintain White supremacy through oppression in economic markets via legal mechanisms that simultaneously avoid racial legalese while having racially discriminatory effects? Racial housing segregation created a wealth gap so wide that outlawing racial housing segregation failed to reverse its effects, as housing discrimination still exists today in various forms.[46] The resulting racial residential segregation induced low-wage jobs and underfunded public education through the market effects of concentrated poverty.

Segregation and Labor Markets

Labor markets in segregated communities kept the racial wealth gap from shrinking by reserving high-wage work for White and wealthy communities. The compounded effects of segregation and attitudes around Black criminality manifested in the labor market, limiting job, career, and entrepreneurial opportunities for Black Americans. The absence of wealth stymies wealth accumulation and is a self-reinforcing mechanism that perpetually excludes Black citizens from creating it. By limiting the collective economic means of poor and segregated Black communities, the powerful force of White supremacy perpetuated Jim Crow era oppression into the late 1900s and early 2000s with covert market mechanisms to achieve racial discrimination without explicitly referring to race in legislation.

The lack of access to long-term financial assets for Black communities, such as housing and other forms of capital, fuels the racial wealth gap. The Economic Policy Institute found in 2015 that, "relative to the average hourly wages of White men with the same education, experience, metro status, and region of residence, Black men make 22 percent less, and Black women make 34.2 percent less. Black women earn 11.7 percent less than their White female counterparts."[47] The racial wealth gaps and racial wage gaps indicate that economic justice has not yet been reached.

The de jure segregation of the Jim Crow era and the de facto segregation that followed the Civil Rights Movement exacerbate racial disparities in the labor market. A 2018 study found that "17 percent of low-income Blacks living in moderately segregated metro areas reside in concentrated poverty, compared with 33 percent of low-income Blacks living in highly segregated areas."[48] Concentrated poverty, more common in more racially segregated areas, results from higher unemployment rates in these Black communities. Sander, Kucheva, and Zasloff found evidence supporting this claim:

42 Laurie Goodman, "Homeownership and the American Dream," Urban Institute, Rowman & Littlefield, January 31, 2018, https://www.urban.org/research/publication/homeownership-and-american-dream.

43 Laurie Goodman, "Homeownership and the American Dream."

44 Laurie Goodman and Christopher Mayer, "Homeownership Is Still Financially Better than Renting," Urban Institute, Rowman & Littlefield, February 21, 2018, https://www.urban.org/urban-wire/homeownership-still-financially-better-renting.

45 Michela Zonta, "Racial Disparities in Home Appreciation," Center for American Progress, July 2019, https://www.americanprogress.org/issues/economy/reports/2019/07/15/469838/racial-disparities-home-appreciation

46 Sam Fulwood III, "The United States' History of Segregated Housing Continues to Limit Affordable Housing," Center for American Progress, December 2016, https://www.americanprogress.org/issues/race/reports/2016/12/15/294374/the-united-states-history-of-segregated-housing-continues-to-limit-affordable-housing/.

47 Valerie Wilson and William Rogers III, "Black-White Wage Gaps Expand with Rising Wage Inequality."

48 Richard H. Sander, Yana A. Kucheva and Jonathan M. Zasloff, Moving Toward Integration: The Past and Future of Fair Housing (Cambridge, Massachusetts: Harvard University Press, 2018), 4.

The unemployment rate for Black men ages 25–34, for example, was 17.4 percent in highly segregated areas, compared with 10.1 percent in moderately segregated areas. Unemployment was 3.48 times the level of non-Hispanic whites in highly segregated areas, but 1.44 times the level of non-Hispanic whites in moderately segregated areas. Earnings for Black men aged 25–34 were $4,000 higher in moderately segregated areas than in highly segregated areas, and, relative to non-Hispanic whites, the earnings were higher—68 percent in moderately segregated areas compared with 47.6 percent in highly segregated areas.[49]

Black men in highly segregated areas received less than half of what non-Hispanic White workers received. While this technically serves as progress from the days of slavery and convict leasing when Black workers received zero wages, remaining disparities ensure that true equality cannot yet happen.

These wage inequalities, resulting from the segregated labor market, intricately trace housing segregation. “The value of the minimum wage peaked in 1968 at $1.60, which is about $9.44 measured in today’s dollars; the current minimum wage of $7.25 is 23 percent less than it was in 1968 in real terms.”[50] The decrease in the real minimum wage accompanied rising living expenses, meaning the unchanging poverty threshold reflects a lower level of welfare. “Nationwide, the income that an average single parent with two children required to meet basic needs in 2018 without government assistance was three times the official poverty line for such a family.”[51] Given the levels of wealth, wage, and income inequality between White and Black Americans, the minimum wage and other economic policies affecting poor individuals and communities have racialized effects, either serving to increase or decrease the racial wealth gap. Segregation also impacts education, which directly relates to economic mobility. Segregation’s effect on the education market widened the racial wealth gap.

Segregation and Education Markets

The Supreme Court Case Brown v Board of Education outlawed education segregation in 1954. Chief Justice Earl Warren asserted that inherent discrepancies in segregated schools “deprived [Black communities] of the equal protection of the laws guaranteed by the 14th Amendment,” such as regard for the American standard of living.[52] The persistence of residential racial discrimination deepens discrepancies in these unconstitutional schooling systems. Economic Policy Institute research fellow, Richard Rothstein, argues that “the achievement gap with which educators struggle can never be closed until we recognize that some of the most important education policy dilemmas cannot be addressed in isolation,” signifying the relationship between education policy and housing policy.[53] In America, housing and education markets significantly impact one another. Legislators must treat housing and education disparities with policies that acknowledge their interdependent nature.

Education creates economic mobility, increasing median weekly earnings and decreasing the likelihood of experiencing unemployment.[54] Correspondingly, education stimulates economic growth as a tool for wealth generation. The racial politics of public education impact the racial wealth gap, as education for White and for Black children operate differently, with discrepancies in funding and non-financial resources like safety. Most notably, poor White children have better access to quality education than do poor Black children; 50 percent of poor White children accessed quality schooling while only 20 percent of poor Black children had the same access.[55] This finding resonates with the concentration of poverty in urban Black communities, induced by Jim Crow era policies and reinforced with housing and labor markets following the outlaw of segregation. New Racism operates swiftly in the education market, maintaining inequalities by working alongside the prolonged effects of segregation to allow racialized outcomes without pronounced racial motivations.

A report by the Economic Policy Institute encapsulates the complexity of the systems of New Racism.

49 Ibid.

50 Steven Pitts and Sylvia Allegretto, “To Work With Dignity: The Unfinished March Toward a Decent Minimum Wage,” Economic Policy Institute, ILR Press, August 26, 2013, https://www.epi.org/publication/work-dignity-unfinished-march-decent-minimum/.

51 Arloc Sherman and Paul N. Van de Water, “Reducing Cost-of-Living Adjustment Would Make Poverty Line a Less Accurate Measure of Basic Needs,” Center on Budget and Policy Priorities, June 11, 2019, https://www.cbpp.org/sites/default/files/atoms/files/6-11-19pov.pdf.

52 History.com editors, “Plessy v. Ferguson,” History.com, February 2020, https://www.history.com/topics/black-history/plessy-v-ferguson#section_4.

53 Valerie Strauss, “Brown v. Board Is 63 Years Old. Was the Supreme Court’s School Desegregation Ruling a Failure?” Washington Post, A.G. Sulzberger, May 16, 2017, https://www.washingtonpost.com/news/answer-sheet/wp/2017/05/16/the-supreme-courts-historic-brown-v-board-ruling-is-63-years-old-was-it-a-failure/.

54 U.S. Bureau of Labor Statistics, “Unemployment Rates and Earnings by Educational Attainment,” U.S. Bureau of Labor Statistics, September 4, 2019, https://www.bls.gov/emp/chart-unemployment-earnings-education.htm.

55 Kimberly Quick and Richard Kahlenberg, “Attacking the Black–White Opportunity Gap That Comes from Residential Segregation,” The Century Foundation, June 25, 2019, https://tcf.org/content/report/attacking-black-white-opportunity-gap-comes-residential-segregation/?agreed=1#easy-footnote-bottom-35.

Richard Rothstein recognizes that education achievement gaps between Black and White children exist "because of greater (and multigenerational) segregation of Black children into neighborhoods of high poverty, few employment opportunities, and frequent violence."[56] The ramifications of the criminal justice system impacts economic markets in housing, labor, and education. This obscures research into racial disparities by requiring researchers to focus on both market effects and racial discrimination, while tasked with proving causality in a complex system. The Civil Rights Movement gave way to this evolution of New Racism when it signaled that oppression, wherever identified, would face elimination.

The American Dream, coined in 1931 by James Truslow Adams, is "a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position."[57] Though "fortuitous circumstances of birth or position" should not dictate access to the American Dream, it does for Black Americans. Exclusion from opportunities "to attain to the fullest stature of which they are innately capable" resulted from segregation and market discrimination in housing, labor, and education that existed long before "American Dream" entered the country's lexicon.

Donté Donald, author of The Color of Law, identifies the limitation of Civil Rights Movement achievements in constructing racial equality in America. Donald references the legal protections won for Black Americans and identifies them as a positive, necessary step for equality. "Yet to be achieved," Donald writes, "are the hard economic goals, critical to transforming the life opportunities of African Americans. They include decent housing, adequate and integrated education, full employment, and a national minimum wage that can realistically lift a family out of poverty."[58] The interrelated nature of institutions necessitates consideration of the entire system in policymaking that will bring about lasting, meaningful change. Segregation is the institution deeply impacting the overall system of oppression as a "White supremacist practice that has proven both durable and highly effective at limiting black wealth and opportunity." [59]

Policy Recommendations

Outlawing racial discrimination cannot reconcile racial inequity in the United States without a fundamental reimagining of the systems that created these inequities. New systems should act with urgency and intentionality, contrary to failed attempts at creating racial equality and economic justice. Ending racial oppression towards Black communities first requires criminal justice restructuring to end racial discrimination within the system. This restructuring should include protections for Black individuals and communities from the effects of the justice system as well as from individual actors outside of the system. Secondly, ensuring equal opportunity regardless of race requires closure of the racial wealth gap. To this end, federal legislators must focus on reparations and integration in housing, employment, and education.

Criminal Justice Reimagination

Criminal justice systems, including the reforms throughout the 1900s, worked to control and oppress Black communities for centuries. These reforms, characterized as the New Racism, were veiled attempts to continue the oppression of Black communities and the enforcement of racial inequality. A complete rewrite of these systems is necessary to rectify the detrimental impacts that oppressive policing has inflicted on Black communities; complete reimagination is the only reform capable of reversing these impacts. Effective criminal justice reimagination needs to uproot past systems, enact news ones, and specify provisions ensuring the implementation of these reform measures. This reimagination of the criminal justice system must protect Black communities from individuals, corporations, and government institutions practicing racial violence and discrimination.

The first recommendation toward criminal justice reimagination concerns adjusting police practices. If reimagined criminal justice systems retain policing infrastructure as a method for community protection, officers should confront their implicit biases in order to better protect citizens of this nation. State govern-

56 Richard Rothstein, "For Public Schools, Segregation Then, Segregation Since: Education and the Unfinished March," Economic Policy Institute, ILR Press, August 2013, https://www.epi.org/publication/unfinished-march-public-school-segregation/.

57 "James Truslow Adams papers, 1918-1949," Columbia University Libraries, Accessed July 11, 2020, http://www.columbia.edu/cu/lweb/archival/collections/ldpd_4078384/.

58 Donté Donald, "Recommitting to Dr. King's Goals Would Help All Working Families," Economic Policy Institute, ILR Press, January 17, 2014, https://www.epi.org/blog/recommitting-dr-kings-goals-working-families/.

59 Kimberly Quick and Richard Kahlenberg, "Attacking the Black–White Opportunity Gap That Comes from Residential Segregation."

ments should establish an implicit bias threshold that precludes certain individuals from the police force–not forever, but for the time period until implicit biases diminish to levels less than the threshold. State governments must set thresholds cautiously to prevent discriminatory policing. In a study of mandatory implicit bias training of NYPD officers in 2018, the officers responded positively to the training, reporting increased willingness to manage implicit bias.1 In addition, police officers should receive education on the history of American policing and how it has perpetuated Black oppression. This training should be framed such that it informs the day-to-day jobs of police officers and enables them to overcome the flawed mindsets, practices, and behaviors of the past.

Continuing police reform, the second recommendation toward criminal justice reimagination concerns police officers and accountability to standards of the community they police. State governments should mandate that each police jurisdiction create and uphold a Community Board of Police Accountability in each police district. As of 2016, only 144 of these oversight organizations exist, compared to over 12 thousand police districts.2 Vesting accountability at the state and federal levels of government disregards the considerations of the local communities directly impacted by police presence. Thus, communities should have the right to remove discriminatory or behaviorally inappropriate police officers from service if it gives those communities a greater sense of safety–however they define it. The Community Board of Police Accountability should be elected democratically in order to reflect the diversity of the respective community and should operate independently of the local city council of each police jurisdiction.

The third recommendation toward criminal justice reimagination concerns private and public business practices. Protections for American citizens must take the form of harsher consequences for discriminatory business practices in labor and education markets and potentially include financial restitution for affected individuals. This reimagination incentivizes firms to implement diversity, equity, and inclusion practices if for no other reason than maximizing business profit. The federal government should mandate that states create and oversee state task forces. Task forces must ensure the realization of these diversity, equity, and inclusion policies, as simply creating a law does not necessarily guarantee its enforcement (as seen with the Fair Housing Act). As previously described, discrimination in markets hinders Black communities from obtaining services and products that they otherwise would obtain if not for their Black identity. This practice contradicts the creed of equality written in the United States Declaration of Independence, which states that all men are created equal.[60] The reimagined criminal justice system must protect Black individuals from racist practices in lending and other financial markets that impact long-term wealth creation for Black communities.

The fourth recommendation toward criminal justice reimagination concerns racial vigilante violence. Black Americans must have protection from murderous individuals who hold racist views about Black criminality or inferiority, and who use these views to justify vigilante violence. The government must accept a role in reversing the culture of acceptance surrounding racial injustices. Specifically, the government must ensure Black Americans the right to trial by a racially unbiased and demographically diverse jury. This necessitates that individuals like George Zimmerman and Kyle Rittenhouse, civilians who kill unarmed Black citizens, face justice for their crimes. Governments at every level must champion this effort for every criminal justice system in America. These criminals, who often escape justice, must face reprimand commensurate to the degree of their crime. Ending subjective criminal justice practices requires the elimination of racial biases in the criminal justice system.

The fifth and final recommendation toward criminal justice reimagination concerns the War on Drugs and other tactics contributing to mass incarceration. The War on Drugs, and other tools of mass incarceration, need to be eliminated. The President of the United States should give a national address focused on the history of Black oppression via the criminal justice system and vow to create a criminal justice system that reflects the American creed of national equality. Congress should eliminate mandatory sentencing for drug and other nonviolent offenses. President Richard Nixon's adviser for domestic affairs, John Ehrlichman, exposed the racial and political motivations for the War on Drugs as unconstitutional and antithetical to the cause of racial equality. The War on Drugs disenfranchised and limited the financial capacity of several generations of Black people. These disproportionate effects make clear that the War of Drugs was, in fact, a veiled war on Black people.

Complete reimagination of the criminal justice system provides a clear path for including Black Americans in the community of the privileged who have federal

60 Thomas Jefferson, et al, Copy of Declaration of Independence, Manuscript/Mixed Material, July 4, 1776, https://www.loc.gov/item/mtjbib000159/.

protection from unjust persecution in its various forms. Black Americans need criminal justice reimagination to gain a basis of security that can be used to create lasting general wealth and prosperity. Black Americans deserve these protections as reparations. In addition, Black Americans also need and deserve financial reparations.

Reparative Justice

The racial wealth gap's persistence throughout the late 1900s and early 2000s serves as evidence of de facto economic oppression of Black communities. The evolution of these systems of oppression into market mechanisms means that oppression can reinforce itself by providing wealth-building assets to those with wealth and denying wealth-building assets to those without wealth. Thus, Black Americans need wealth in order to create wealth and close the racial wealth gap. While criminal justice reimagination safeguards Black wealth from loss or theft, policymakers should provide economic stimulus in the form of financial reparations to create reparative justice for Black Americans.

The first recommendation toward reparative justice concerns using reparations to increase access to quality housing in resource-rich neighborhoods for Black Americans. Policymakers should fund Black families moving into predominantly White neighborhoods in order to expand access to the services, such as high-wage jobs and high-quality education, that historically excluded them. This financial support should take the form of mortgage subsidies, rent assistance, and other tools promoting homeownership. The federal government should use existing infrastructure (e.g. Federal Home Loan Bank and Home Owners Loan Corporation[61]) to service Black communities.

The second recommendation toward reparative justice concerns antipoverty programming. Policymakers should provide extensive funding for non-governmental antipoverty organizations since these services are much more effective than comparable services provided by the government. Similar to the existing funding structure for welfare services, the federal government should provide a base level of funding to states, with optional additional funding provided by states. The Family Independence Initiative, championed by Mauricio Miller, provides an excellent example of a non-government organization proven to reduce poverty and build human and social capital in resource-poor neighborhoods. By focusing on capital, choice, and community development, participation in this program reduces government subsidies by 26 percent for each family on average while generating a total return on investment of over 350 percent.[62] Funding must go directly to the private organizations with minimal leakage from administrative costs to maximize effectiveness.

The third recommendation toward reparative justice concerns tax reform. Policymakers should make the progressive tax system in the United States more progressive. There is currently no minimum income that precludes an individual from paying income taxes, even if the government returns all taxes paid during tax season. Policymakers should enact a zero percent tax rate for families at or below the federal poverty line, which varies based on family size. Federal legislators should increase the top marginal tax rates.

The fourth and final recommendation toward reparative justice concerns universal basic income. Federal legislators must draft policy that mandates the IRS make biweekly universal basic income payments in order to provide stability for needy families and individuals. If a considerable portion of American prosperity originates from stolen land and generations of stolen labor, deadly wars, and foreign political instability, then policymakers can redistribute at least that portion of this wealth to all citizens in the form of universal basic income. Paid for by taxes in a progressive tax structure, this recommendation serves to reduce income inequality. This redistribution of wealth is an equitable redistribution, as communities of color have less income and wealth, partly due to discrimination. Since White Americans hold a majority of America's wealth and receive more money than racial minorities for the same work, wealth redistribution in the form of universal basic income appropriately addresses racial economic discrimination and partially corrects the market failure.

Reparative justice to eliminate the racial wealth gap will require a significant increase in taxes for the wealthiest Americans, most of whom are White. Policymakers should not ignore this but should instead promote the reality that White Americans made significant wealth gains throughout history by precluding Black citizens from accessing this American wealth for themselves. Policymakers must accomplish the elimination of the racial wealth gap through wealth redistribution from rich individuals to poor individuals, thereby redistributing wealth from White individuals to Black individuals.

61 U.S. Department of Housing and Urban Development, "Major Legislation on Housing And Urban Development Enacted Since 1932," accessed August 16, 2020, https://www.hud.gov/sites/documents/LEGS_CHRON_JUNE2014.PDF.

62 Mauricio Miller, Family Independence Initiative, 2017, https://www.fii.org/approach/impact/

Conclusion

America cannot achieve racial equality until the racial wealth gap is closed. As this paper demonstrates, the racial wealth gap is maintained by covert, de facto mechanisms of oppression through the criminal justice system and the economic impacts of historical racial residential segregation, which has impacted markets in housing, labor, and education. Mechanisms of oppression experienced many evolutions throughout history as racist and unjust institutions adapted to outmaneuver attempts at achieving racial equality through the law. Given the history of criminal justice and segregation, dismantling these systems cannot be accomplished through symbolic policy. Policymakers must take direct action to create infrastructure for racial equality and ensure these infrastructures serve their purpose.

This paper proposes two policies to aid in the closure of the racial wealth gap. The first policy recommends the reimagination of the criminal justice system to fundamentally protect Black Americans from the vulnerabilities that have been exploited by racist and discriminatory practices in the past. This includes legal protections from police, government, corporations, and individuals. This policy recommendation also includes Community Boards of Police Accountability in each police district. The second policy recommends reparations for Black Americans to stimulate wealth creation. This includes housing subsidies to promote racial residential integration, tax reform to reduce the tax burden on Americans living in poverty, and universal basic income. These policy proposals address two large drivers of the racial wealth gap and work to dismantle White supremacy and Black oppression on a national level.

This paper has analyzed the evolution of the practices that resulted in the current racial wealth gap and proposed policies to remedy this injustice. This paper fails to consider impacts of the racial wealth gap (or racial oppression) on Black communities in a non-material way. One such example of this research is the study "The Existential Cost of Economic Insecurity," in which researchers found that "maintaining financial security is important for a sense of meaning in life."[63] Such studies will undoubtedly have non-material policy implications, so policymakers and researchers should continue exploring this topic.

63 Andrew Abeyta, Kersten Routledge, and CR Cox, "The existential cost of economic insecurity: Threatened financial security undercuts meaning," J Soc Psychol, 2017, doi:10.1080/00224545.2016.1270892.

COVID-19's Ever-Growing Impact on Our Health

Alexandra Cady Reid

Carnegie Mellon University - Heinz College of Information Systems and Public Policy

As the U.S. enters its eleventh month in the pandemic, COVID-19's impact on our physical and mental health continues to expand. In addition to all the ways we have adapted our work, social, and personal lives to manage the virus, we have also been altering our behaviors in ways that can have long-term, adverse effects. In particular, we have been changing the way we access and interact with the healthcare system.

Some of these changes have been positive (and necessary). For example, the number of patients using telehealth has increased significantly, with the Center for Disease Control reporting a 154 percent increase in telehealth visits at the end of March 2020 compared with the same period in 2019.[1] Telehealth has become a necessary alternative as providing in-person care has been restricted by many providers for safety reasons, reducing COVID exposure possibilities for both patients and providers.[2] This shift has been viewed favorably by some patients as improving convenience and access to healthcare.[3]

Of course, this is not the case for all. Millions have lost their health insurance. The Economic Policy Institute projects that 12 million people "have been cut off from employer-sponsored insurance coverage due to job losses" during the pandemic.[4] Losing health insurance has immediate negative impacts. The Kaiser Family Foundation reports that "Lack of health coverage, even for short periods of time, results in decreased access to care."[5] More specifically, The Commonwealth Fund found that people who experienced gaps in their health coverage were less likely to have a regular doctor and receive preventative care tests such as blood pressure and cholesterol checks, compared to people with continuous health coverage.[6]

As a result, uninsured individuals experience many barriers to accessing and interacting with the healthcare system, making it more difficult – and in some cases impossible – to effectively manage their health. To pose a hypothetical: due to COVID-19, a patient named John has recently lost his job and his health insurance, so he does not see a doctor for a routine annual appointment. However, John unknowingly has high cholesterol. Since he does not see a doctor, he is not diagnosed, and does not know that he needs to start making lifestyle changes or taking medication to lower his cholesterol. If left untreated, high cholesterol can increase the risk of heart disease and heart attacks.[7] Ultimately, COVID-19 has increased the number of uninsured persons, leading to an increase in the number of people finding it difficult to access healthcare and manage their health - leaving them vulnerable to preventable adverse health outcomes up to and including death.

Even for individuals who have been fortunate enough to maintain healthcare coverage throughout the pandemic, COVID-19 has pushed many to put preventative care on the back burner. The American Medical Association found that childhood vaccinations decreased by roughly 60 percent, mammograms and pap smears declined nearly 80 percent, and colonoscopies were down almost 90 percent in mid-April 2020 compared with 2019.[8] As the American Academy of Family Physicians puts it, "Patients are deferring routine office visits for chronic disease man-

1 Koonin, Lisa M. "Trends in the Use of Telehealth During the Emergence of the COVID-19 Pandemic — United States, January–March 2020." MMWR. Morbidity and Mortality Weekly Report 69 (2020). https://doi.org/10.15585/mmwr.mm6943a3.
2 Verma, Seema. "Early Impact Of CMS Expansion Of Medicare Telehealth During COVID-19 | Health Affairs Blog." July 15, 2020. https://www.healthaffairs.org/do/10.1377/hblog20200715.454789/full/.
3 Ibid.
4 Biven, Josh and Zipperer, Ben. "Health Insurance and the COVID-19 Shock: What We Know so Far about Health Insurance Losses and What It Means for Policy." August 26, 2020. Economic Policy Institute. https://www.epi.org/publication/health-insurance-and-the-covid-19-shock/
5 Garfield, Rachel; Orgera, Kendal; Damico, Anthony. "The Uninsured and the ACA: A Primer – Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act - How Does Lack of Insurance Affect Access to Care?" Kaiser Family Foundation, January 25, 2019. https://www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-how-does-lack-of-insurance-affect-access-to-care/.
6 Fronstin, Paul and Woodbury, Stephen. "How Many Americans Have Lost Jobs with Employer Health Coverage During the Pandemic?" The Commonwealth Fund, October 7, 2020. https://www.commonwealthfund.org/publications/issue-briefs/2020/oct/how-many-lost-jobs-employer-coverage-pandemic
7 Mayo Clinic. "High Cholesterol - Symptoms and Causes." https://www.mayoclinic.org/diseases-conditions/high-blood-cholesterol/symptoms-causes/syc-20350800.
8 Smith, Timothy. "Preventive Care: As Pandemic Stretches on, 'No More Time to Wait.'" American Medical Association, October 16, 2020. https://www.ama-assn.org/delivering-care/patient-support-advocacy/preventive-care-pandemic-stretches-no-more-time-wait.

agement and preventive services out of concern for their safety during COVID-19."[9] As it would turn out, even if our patient John were to have found new insurance and scheduled an annual appointment – a preventive visit – he might have chosen to attend his appointment virtually to reduce potential exposure to COVID-19 or his doctor may have encouraged or required that he attend virtually. And so, he still might not have received a blood test and had his high cholesterol diagnosed.

As Blaine Dinkin, an Administrative Fellow at Allegheny Health Network and Heinz College Alumna, noted, "COVID-19 is forcing us to redefine and reanalyze what access to healthcare means. It is becoming clear that access goes beyond the ability to see a doctor or get a vaccine; it's about resources." In her role, Dinkin works with nursing home administrators and patients in the Pittsburgh area. To them, and many other frontline and essential workers, access to healthcare is also about access to personal protective equipment (PPE). In our patient John's case, access to healthcare is also about access to blood tests.

To pose another hypothetical: Jane loses her job and her employer-sponsored insurance due to COVID-19 — at the same time, she finds out she is pregnant. As she scrambles and struggles to find new insurance, she delays her first prenatal visit. After she successfully enrolls, she finds out that she lives in one of the 1095 counties in the U.S. classified as a maternity care desert — "a county without a hospital or birth center offering obstetric care and without any obstetric providers." [10]The closest provider is over an hour away, and the first appointment is required to be in-person. On top of the stress of finding a new job, navigating her new health insurance, and figuring out how to get to her doctor, Jane has to worry about the fact that she is at a higher risk for experiencing more severe symptoms from COVID-19 compared to non-pregnant people.[11]

For Jane, and many other women across the nation, COVID-19 has exacerbated gender inequities in regards to economic opportunities and access to healthcare. Women have been disproportionately impacted by the pandemic: according to the Center for American Progress, "Four times as many women as men dropped out of the labor force in September."[12] On top of that, women account for 53 percent of the loss of jobs with employer-sponsored insurance.[13] Women are being pushed out of the workforce and out of jobs with health insurance at higher rates than men.

COVID-19 is affecting the way we access and interact with the healthcare system. While some patients have certainly benefited from the expanded virtual options, many others have chosen – or been forced – to minimize their engagement with the system and deprioritize preventative care. It is clear that any proposed solution to effectively address a system so plagued by problems would need to be massive, comprehensive, and multi-pronged. A key part of any reform effort should be disentangling health insurance from employment.

This overdue policy change[14] has received renewed attention during this pandemic[15], as this structure has caused many citizens who lost their jobs due to COVID-19 to also lose health coverage during a public health crisis. Not only is this traumatic for the people who have lost their jobs and coverage, but it is also bad for society as a whole since those without insurance are less likely to receive medical care, making it harder to contain the virus.[16] COVID-19 has further highlighted our nation's desperate need to implement universal health coverage in order to ensure that people will be empowered to manage their health, regardless of employment status, pre-existing conditions, or whether we are in a deadly pandemic.

Beyond improving the provision of health insurance, fixing our broken healthcare system relies on establishing a broad definition of "access" as it relates to managing our health. COVID-19 has laid bare existing gaps in access and created new ones, as exemplified by the difficulty in finding and attending a medical appointment and the inability to obtain PPE, respectively. While we cannot expect medical professionals to anticipate all of our healthcare needs, we can — and should — expect our government and healthcare sector to be flexible enough to respond to our needs and to prioritize our health and safety.

9 Magoon, Vinita. "Three Steps to Improve Preventive Service Utilization during the COVID-19 Pandemic." The American Academy of Family Physicians, July 24, 2020. https://www.aafp.org/journals/fpm/blogs/gettingpaid/entry/covid_preventive_services.html.
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Racial and Economic Disparities in Social Security Retirement Benefits

Dominick Fiorentino

Carnegie Mellon University - Heinz College of Information Systems and Public Policy

The Social Security Administration has lifted millions of Americans out of poverty via its programs, which include retirement income, survivors benefits, disability benefits, and supplemental security income. Retirement income accounts for the largest portion of Social Security benefits. Current policies exacerbate economic and racial disparities in retirement income, and modest benefits fail to provide adequate support to the poorest seniors. To secure the long-term viability of the trust funds, make Social Security payroll taxes more progressive, and ensure a living wage for all retirees, I recommend that Congress eliminate the cap on maximum taxable earnings and reestablish a basic minimum benefit.

BACKGROUND

Social Security Was Implemented to Protect the Elderly During the Great Depression

In the period leading up to the Great Depression, the United States became more urban, families became smaller, and lifespans expanded significantly.[1] These trends increased the elderly population while simultaneously removing safeguards—particularly extended family networks and subsistence farming—that would prevent the elderly from becoming indigent. With minimal savings and pensions—only five percent of the elderly received pension income in 1932—the Great Depression hit this population particularly hard.[2] It is estimated that 50 percent of seniors were living in poverty by 1934.[3]

To aid this population, President Roosevelt signed the Social Security Act in 1935, creating a social insurance program that would ensure an income for retired workers aged 65 or older.[4] This program is financed by payroll taxes—known as FICA (Federal Insurance Contributions Act)—that are deposited into Social Security trust funds. Upon retirement, benefits are paid out of the trust funds to recipients in proportion to contributions made over their working life.

Social Security Expanded Benefits to the Elderly and Disabled Between 1939 and 1972

After 1935, Social Security was amended to increase benefits to retirees, and provide additional benefits to non-retirees. In 1939, the Social Security Act was amended to allow spouses and children to receive benefits in the case of the premature death of a beneficiary. Additionally, a monthly minimum benefit of $10 was established for low-wage workers.[5] In 1950, monthly benefit payments were adjusted upward for the first time to account for inflation.[6] After 1950, cost of living adjustments (COLA) required an act of Congress until a 1972 reform codified automatic annual increases based on the Consumer Price Index.[7] In 1956, Social Security Disability Insurance (SDDI) benefits were extended to disabled workers between the ages of 50 and 64 as well as disabled adult children.[8]

In the 1970s, the Social Security Administration assumed responsibility for administering the Supplemental Security Income (SSI) program. This program is designed to provide cash assistance to disabled, blind, and elderly people and is funded through general tax revenues rather than FICA.[9] SSI benefits are indexed to price inflation, compared to Social Security benefits which are indexed to wage inflation. As wage growth has outpaced price inflation, eligibility for SSI has been shrinking.[10] Additionally, SSI is means-tested and requires an application, unlike Social Security where all Americans are automatically enrolled. Almost 40 percent of those eligible do not receive SSI benefits.[11]

1 "Social Security History," accessed April 26, 2020, https://www.ssa.gov/history/briefhistory3.html
2 Ibid.
3 "Social Security's Past, Present and Future | National Academy of Social Insurance," accessed April 26, 2020, https://www.nasi.org/discuss/2015/08/social-security%E2%80%99s-past-present-future.
4 "Social Security History," accessed April 26, 2020, https://www.ssa.gov/history/briefhistory3.html

5 Ibid.
6 Ibid.
7 Ibid.
8 Ibid.
9 "Supplemental Security Income," accessed April 26, 2020, https://www.ssa.gov/ssi/.
10 "Commission on Retirement Security and Personal Savings | Bipartisan Policy Center," accessed April 26, 2020, https://bipartisanpolicy.org/commission-on-retirement-security-and-personal-savings/.
11 Ibid.

The Reagan Administration Curtailed Minimum Social Security Benefits in the 1980s

To ensure the long-term viability of Social Security, President Reagan signed several reforms that would limit benefits to future retirees. In 1981, the Omnibus Budget Reconciliation Act eliminated the minimum Social Security benefit for those retiring after 1981 in favor of the Special Minimum Primary Insurance Amount (PIA) established in 1972.[12] In contrast to the standard minimum benefit established in 1939 which covered all low-income workers, the special minimum PIA is based on the number of years worked.[13] Similarly to SSI, the PIA benefit is also based on price levels rather than wages. As wage growth has outpaced price growth, the PIA covers fewer and fewer retirees and will have no benefit for workers turning 62 in 2019 and later.[14] Additionally, in 1983, President Reagan signed additional amendments raising the full retirement age from 65 to 67 for those born after 1960.[15]

CRITICAL ANALYSIS: THE IMPACTS OF CURRENT POLICY

Social Security Has Lifted Millions of Americans Out of Poverty

The Social Security Act has succeeded in its primary goal of providing a safety net for millions of Americans. Social Security retirement benefits have lifted nearly 15 million of the elderly out of poverty.[16] Without Social Security benefits, their poverty rate would have increased from 9.7 percent to 37.8 percent.[17] Disability payments and survivor benefits have lifted an additional 1.2 million children and 5.7 million adults above the federal poverty line.[18] Despite these benefits, there are inequities built into the current system.

Wealthier Americans Disproportionately Benefit from Social Security

With higher lifetime earnings, the wealthy not only receive more Social Security benefits than low wage earners, but much of their wages are exempt from payroll taxes. Under $137,700, 100 percent of earnings are taxable, but earnings above this cap are not subject to FICA.[19] In 1977, 90 percent of all earnings were below the maximum cap. With wages for high income earners rising faster than the cap, the percentage of all earnings subject to FICA decreased to 82 percent by 2016. [20]Currently, just six percent of workers each year earn wages in excess of the cap.[21] Additionally, the wealthy live longer and claim their benefits later, compared to low-income seniors who retire sooner and die younger. These disparities result in reduced benefits for low-income seniors.[22]

White Americans Receive More Social Security Benefits Than African Americans

Due to lower lifetime earnings, higher unemployment, and shorter life expectancy African American retirees receive less Social Security income than their white peers. The life expectancy of the average African American is 75 years, four years less than the white average of 79.[23] African Americans earn less than whites at every educational level; those with a bachelor's degree earn over $15,000 less per year.[24] Additionally, African Americans are almost twice as likely to be unemployed and 22 percent less likely to have equity in their homes. [25]These disparities in lifetime earnings mean that African American retirees receive lower monthly Social Security benefits, receive fewer payments due to premature death, and have fewer financial resources aside from Social Security.

12 "Social Security History," accessed April 26, 2020, https://www.ssa.gov/history/1980.html.
13 U.S. Library of Congress, Congressional Research Service, Social Security: Minimum Benefits, by Zhe Li, R43615 (2018), 2.
14 Ibid.
15 "Benefits Planner: Retirement | Benefits By Year Of Birth | Social Security Administration," accessed April 26, 2020, https://www.ssa.gov/planners/retire/agereduction.html.
16 "Social Security Lifts More Americans Above Poverty Than Any Other Program," Center on Budget and Policy Priorities, October 25, 2013, https://www.cbpp.org/research/social-security/social-security-lifts-more-americans-above-poverty-than-any-other-program.
17 Ibid.
18 Ibid.

19 "Benefits Planner | Maximum Taxable Earnings | Social Security Administration," accessed April 26, 2020, https://www.ssa.gov/planners/maxtax.html.
20 "Increasing Payroll Taxes Would Strengthen Social Security," Center on Budget and Policy Priorities, September 27, 2016, https://www.cbpp.org/research/social-security/increasing-payroll-taxes-would-strengthen-social-security.
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22 "Disparities in Social Security," accessed April 26, 2020, https://www.bc.edu/bc-web/bcnews/nation-world-society/retirement-and-aging/crr-study.html.
23 "African American Economic Security and the Role of Social Security | Urban Institute," accessed April 26, 2020, https://www.urban.org/research/publication/african-american-economic-security-and-role-social-security.
24 Ibid.
25 Ibid.

Social Security Benefits Are Insufficient for Low-Income Americans

Despite its success in lifting millions out of poverty, Social Security benefits are modest compared to other developed nations. The average monthly benefit is $1,470 a month, or about 38 percent of average past earnings.[26] This is very low compared to the OECD (Organization for Economic Co-operation and Development) average of 53.2 percent.[27] Although Social Security is designed to supplement individual retirement savings, 50 percent of families have no retirement savings.[28] Additionally, only 17 percent of low-wage workers participate in employer sponsored retirement plans.[29] The upshot is that Social Security provides at least 50 percent of income for half of retirees and 90 percent of income for one-fourth of retirees.[30]

RECOMMENDATIONS

While Social Security has lifted millions from poverty, economic and racial disparities in income, retirement savings, and life expectancy have demonstrated that its modest benefits are not enough. In order to provide additional funding to ensure improved benefits, I present the following recommendations.

The cap on maximum taxable earnings makes FICA regressive as effective tax rates decrease with each dollar earned above $137,700. Congress should eliminate the cap to make Social Security taxes more progressive. The Congressional Research Service has estimated that by removing the cap on taxable earnings but retaining the current level of maximum benefits, the Social Security trust funds can remain solvent for another 60 years[31]. Ensuring the long-term stability of the trust funds would disproportionately benefit low-income retirees who rely on Social Security income, and the tax incidence would fall on the wealthiest 6 percent of wage earners.[32] This reform also compensates for the fact that high-wage workers have longer life expectancies than low-wage workers and therefore receive more years of Social Security benefits on average.

The average annual Social Security benefits for retirees in the bottom quintile is $9,100[33]—below the federal poverty level of $12,760 for individuals.[34] For this reason, Congress should restore the minimum benefit that was eliminated in 1981 and increase its value to bring beneficiaries above the federal poverty level. The elimination of the FICA cap outlined in the recommendation above would fund this benefit expansion. The minimum benefit would replace SSI for those above the retirement age as it would automatically apply to all eligible Social Security beneficiaries. This would ensure that more retirees receive financial support as the SSI application process deters eligible beneficiaries. The Urban Institute calculated that in addition to benefiting all low-income seniors, African American retirees would realize a 23 percent increase in their Social Security benefits, versus an 18 percent increase for white seniors.[35] This would help to close the disparity in retirement outcomes between white and Black seniors, and ensure a living wage for retirees entirely reliant on Social Security benefits.

CONCLUSION

Social Security retirement benefits has been one of America's most effective anti-poverty programs, but it does not adequately serve the most vulnerable populations. As many seniors rely on Social Security for the majority or entirety of their retirement income, it is important to ensure that the benefits they receive keep them out of poverty. By making small reforms to the existing program, Congress can secure the Social Security trust funds viability for future generations and close disparities that burden the working poor and racial minorities.

26 "Policy Basics: Top Ten Facts about Social Security," Center on Budget and Policy Priorities, August 12, 2010, https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security.

27 Ibid.

28 "The State of American Retirement Savings: How the Shift to 401(k)s Has Increased Gaps in Retirement Preparedness Based on Income, Race, Ethnicity, Education, and Marital Status," Economic Policy Institute (blog), accessed April 26, 2020, https://www.epi.org/publication/the-state-of-american-retirement-savings/.

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30 "Policy Basics: Top Ten Facts about Social Security," Center on Budget and Policy Priorities, August 12, 2010, https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security.

31 U.S. Library of Congress, Congressional Research Service, Social Security: Raising or Eliminating the Taxable Earnings Base, RL32896 (2019), 2.

32 Ibid, 24.

33 "Commission on Retirement Security and Personal Savings | Bipartisan Policy Center," accessed April 26, 2020, https://bipartisanpolicy.org/commission-on-retirement-security-and-personal-savings/.

34 "Federal Poverty Level (FPL) - HealthCare.Gov Glossary," HealthCare.gov, accessed April 26, 2020, https://www.healthcare.gov/glossary/federal-poverty-level-fpl/.

35 "African American Economic Security and the Role of Social Security | Urban Institute," accessed April 26, 2020, https://www.urban.org/research/publication/african-american-economic-security-and-role-social-security.

Reducing Recidivism with Machine Learning

Alexander Talbott

Carnegie Mellon University - Heinz College of Information Systems and Public Policy

The United States leads the world with over 2.2 million people incarcerated[1], a 500 percent increase from 50 years ago. This rapid expansion of the criminal justice system is due to many factors, one of the most prominent being high recidivism rates. Across the country, many individuals are repeatedly interacting with the criminal justice system, often in the form of misdemeanors and other minor offenses. These individuals tend to be the most vulnerable in society: 64 percent suffer from mental illnesses[2], 10 percent[3] experienced homelessness in the year before their arrest, and 55 percent[4] struggled with substance abuse issues. For example, it was estimated there were three times as many individuals with mental illnesses in jail and prisons than in hospitals in 2005, and recidivism rates for the mentally ill are as high as 70 percent.[5] Furthermore, many of these individuals' first interactions with social services are within the criminal justice system, leading to a reactive system of last resort that is overburdened, expensive, and ineffective.

There are many possible alternatives to reducing recidivism. Researchers have found diversionary programs reduce jail time, improve participant outcomes, and reduce costs without increasing public risk.[6] Monitored mental health treatment for inmates has also shown statistically significant reductions in recidivism. However, these solutions address the cycle of recidivism in a reactionary way, helping individuals after they are convicted to avoid future criminal behavior.[7] A proactive approach is to intervene on at-risk individuals by offering the support of social services agencies, connecting them with the assistance they need before the onset of criminal behavior. However, social services agencies are often underfunded and must prioritize their help toward individuals most at risk of repeat offenses. Existing approaches to identifying these people include Criminal Justice Coordination Committees, groups composed of various local criminal justice, legal, and social services departments with the goal of increasing interagency communication, and the Sequential Intercept Model, a planning tool for communities to identify how at-risk individuals move through the criminal justice system. Nonetheless, what these tools lack is a way to quickly and accurately predict who the highest risk individuals in their community are.

Rayid Ghani, a professor in the Machine Learning Department at Carnegie Mellon University, is working on a new approach to solving this societal problem. In two studies, one conducted in Los Angeles County and the other in Johnson County, Kansas, Professor Ghani and his fellow researchers have built machine learning models that accurately predict individuals at risk of recidivism.[8][9] This information allows social services departments to intervene before the cycle of recidivism takes hold and provide individuals with the help they need.

How Can Machine Learning Models Reduce Recidivism?

Broadly speaking, the research teams' machine learn-

1 "Trends in US Corrections," The Sentencing Project, 2020, https://www.sentencingproject.org/wp-content/uploads/2020/08/Trends-in-US-Corrections.pdf
S: Department, "Title of Fact Sheet in Title Case."
2 Doris J. James and Lauren E. Glaze, "Mental Health Problems of Prison and Jail Inmates: (557002006-001)" (American Psychological Association, 2006), https://doi.org/10.1037/e557002006-001.
3 2017 AHAR: Part 2 - Estimates of Homelessness in the U.S. - HUD Exchange," accessed February 3, 2021, https://www.hudexchange.info/resource/5769/2017-ahar-part-2-estimates-of-homelessness-in-the-us/.
4 James and Glaze, "Mental Health Problems of Prison and Jail Inmates."
5 Lois A. Ventura et al., "Case Management and Recidivism of Mentally Ill Persons Released From Jail," Psychiatric Services 49, no. 10 (October 1, 1998): 1330–37, https://doi.org/10.1176/ps.49.10.1330.
6 Ventura et al., "Case Management and Recidivism of Mentally Ill Persons Released From Jail."
7 "Court Intervention to Address the Mental Health Needs of Mentally Ill Offenders," Psychiatric Services 47, no. 3 (March 1, 1996): 275–81, https://doi.org/10.1176/ps.47.3.275.
8 Kit T. Rodolfa et al., "Case Study: Predictive Fairness to Reduce Misdemeanor Recidivism through Social Service Interventions," in Proceedings of the 2020 Conference on Fairness, Accountability, and Transparency (FAT* '20: Conference on Fairness, Accountability, and Transparency, Barcelona Spain: ACM, 2020), 142–53, https://doi.org/10.1145/3351095.3372863.
9 Matthew J. Bauman et al., "Reducing Incarceration through Prioritized Interventions," in Proceedings of the 1st ACM SIGCAS Conference on Computing and Sustainable Societies (COMPASS '18: ACM SIGCAS Conference on Computing and Sustainable Societies, Menlo Park and San Jose CA USA: ACM, 2018), 1–8, https://doi.org/10.1145/3209811.3209869.

ing models are sophisticated algorithms that can predict when someone is at risk for recidivism. This knowledge is invaluable for a social services department looking to prioritize its limited resources towards helping the most at-risk individuals. The models give agencies the information to intervene through individualized interventions, including diversion programs, conditional plea agreements, or stayed sentencing.

The models are binary classifiers, meaning they will output either a "yes" or "no" that the individual will be booked in the system in the next 6-12 months. The variables used to predict outcomes, known as features, are drawn from various sources, including previous criminal charges, prior court case outcomes, interactions with mental health services, interactions with emergency medical services, and demographic data like race, age, and gender.

In order to assess the accuracy of their models, the teams used the overall rate of recidivism as a baseline, the rationale being that a model that predicts at-risk individuals at random would achieve approximately the same accuracy rate as the current overall rate of recidivism. In contrast, the results of the models are quite promising. In the Los Angeles County model, 73 percent predicted to be at-risk were later involved in a booking, compared to the baseline rate of 4.4 percent. In Johnson County, that rate was 51 percent, compared to a baseline of about 25 percent. While these experiments are limited in scope, the results are significant and indicate that these models have the potential to be powerful tools in proactively addressing recidivism risk.

Predictive Modeling in Criminal Justice

Justifiably, many people have deep reservations about using machine learning or artificial intelligence in the criminal justice system. Tools like predictive policing and Clearview AI's facial recognition software have been shown to be ineffective and harm minority groups.[10][11] Similarly, algorithms used by courts that deny bail affect minorities at disproportionately high rates.[12]

This issue was particularly pertinent to Professor Ghani and the teams as they conducted their research. An algorithm can be used in a punitive manner, such as predictive policing or making a targeted arrest. On the other hand, a nearly identical algorithm can be employed to direct social service agencies to support those at risk for recidivism in an equitable manner. In these two cases, the model is essentially the same, but the action taken is very different; an algorithm is a tool that can be used or misused depending on who utilizes it. Professor Ghani described the models the teams created as "what predictive policing needs to be." The teams acknowledge their models could be misused if in the wrong hands. Therefore, it is essential to work with trusted social services organizations and continuously monitor the models' implementation.

Equity and Fairness

The most important part of any machine learning project is the method by which it is evaluated and what actions are taken based on that evaluation. This is especially important in the criminal justice system, as a biased or poorly evaluated tool can result in disastrous outcomes in an individual's life. One example is COMPAS, a recidivism reduction algorithm used in Broward County, Florida, that ProPublica found to be deeply flawed in its evaluation methods.[13] While it correctly predicted recidivist behaviour 60 percent of the time, researchers found it to be racially biased and inequitable. COMPAS misclassified Black defendants as a greater risk for recidivism at a higher rate than White defendants (45 percent to 23 percent), and it mistakenly labeled White defendants as lower risk at a higher rate than Black defendants (48 percent to 28 percent). These biased results could lead to longer sentences, higher bail, or denial of pretrial release for lower-risk, predominantly Black individuals. COMPAS illustrates the point that evaluating a machine learning model's performance cannot be based solely on accuracy alone. So, what constitutes a model with "good" performance?

According to Professor Ghani, the answer to that question depends on the project's goal. He explained "performance" in machine learning is a vague term that can have different meanings in different projects. In many machine learning projects, statistical metrics

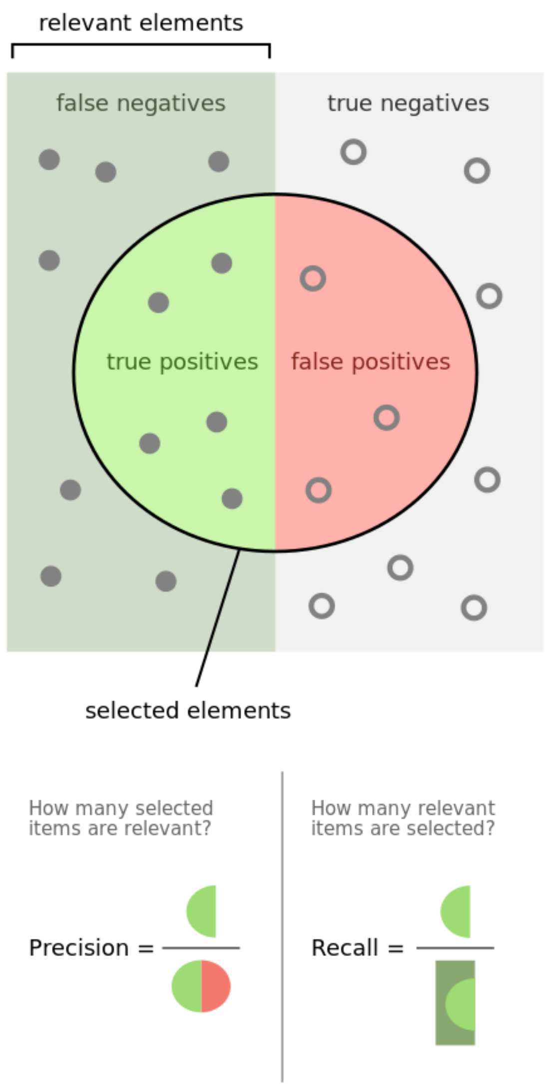
10 Jessica Saunders, Priscillia Hunt, and John S. Hollywood, "Predictions Put into Practice: A Quasi-Experimental Evaluation of Chicago's Predictive Policing Pilot," Journal of Experimental Criminology 12, no. 3 (September 1, 2016): 347–71, https://doi.org/10.1007/s11292-016-9272-0.

11 Rashida Richardson, Jason Schultz, and Kate Crawford, "Dirty Data, Bad Predictions: How Civil Rights Violations Impact Police Data, Predictive Policing Systems, and Justice," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, February 13, 2019), https://papers.ssrn.com/abstract=3333423.

12 "Algorithms Were Supposed to Fix the Bail System. They Haven't," Wired, accessed February 3, 2021, https://www.wired.com/story/algorithms-supposed-fix-bail-system-they-havent/.

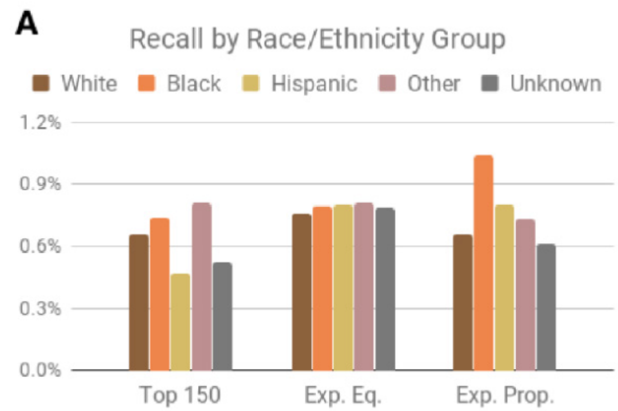
13 Jeff Larson Mattu Julia Angwin,Lauren Kirchner,Surya, "How We Analyzed the COMPAS Recidivism Algorithm," ProPublica, accessed February 3, 2021, https://www.propublica.org/article/how-we-analyzed-the-compas-recidivism-algorithm?token=WX-m9z79e0T7-hUjzwsfdbQxryFu6WxDL.

such as precision - the ratio of correct predictions to all predictions - and recall - the ratio of correct predictions to all truly correct observations - are used to measure performance. Conversely, the goal of the recidivism reduction models was to predict individuals at risk for recidivism in the most equitable way possible. This meant equity was to be the main performance metric, taking precedence over precision, recall, or other statistical metrics.



Walber, CC BY-SA 4.0 <https://creativecommons.org/licenses/by-sa/4.0>, via Wikimedia Commons

To achieve their goal of maximizing equity, the teams decided to balance recall across all racial demographics. Professor Ghani explained that by focusing on recall, fewer at-risk individuals would be left out, and by balancing the metric across racial groups, the model would be more racially equitable. He also explained that achieving the same recall ratio in each group is not enough to erase previously existing racial skew in recidivism. Instead, it would be necessary to put more emphasis on racial groups that are overrepresented. For example, the teams noted the recall for Hispanic individuals was much lower than other ethnicities, meaning the model was selecting a relatively low proportion of at-risk Hispanic individuals. At the same time, Hispanic individuals are overall more likely to be at risk for recidivism. Therefore, the researchers calibrated the models to ensure Hispanic individuals are chosen at a slightly higher rate to help eliminate this racial disparity over time and ensure an equitable model.



The left chart shows recall by race without taking equity into account. Hispanic and Race Unknown groups are underrepresented. The middle chart shows recall balanced evenly across race. The right chart shows the model that was chosen where recall is balanced to be proportional to a group's prevalence in recidivismRodolfa, et. al. https://doi.org/10.1145/3351095.3372863.

Conclusion

Recidivism is an issue that affects the most vulnerable and is costly to society. Professor Ghani and other researchers are approaching the challenge of recidivism with machine learning and other predictive tools. Nonetheless, these models are just the start. Professor Ghani described the need for a common framework put forward by the government for designing equitable data-driven tools in government. This framework would define goals, regulations, and methodologies that anyone, not just machine learning researchers, can understand. He also emphasized the need for well-defined guidelines that will allow policymakers to evaluate the ethics of data-driven policy tools in the future. Finally, data-driven policy systems such as the recidivism reduction models need to be made scalable. While the models described above are effective as proofs of concept, they only affect two counties and will likely need to be tailored to fit other local jurisdictions' needs. With these steps in place, the rethinking of how criminality is addressed in America can continue, and those who are stuck in the cycle of recidivism can receive help from the system that serves to protect them.

Minimum Wage in the United States: A Historical Analysis and Recommendations

Daniel Schnelbach

Carnegie Mellon University - Heinz College of Information Systems and Public Policy

An analysis of the minimum wage that includes its historical context and goals shows that the law achieved its minimal mandate of preventing starvation wages in a depression-era economy. However, the rhetoric surrounding the debate remains a substantial barrier to clear thinking on the issue among policymakers and we are presently at risk of failing even this limited objective. I recommend two policies meant to avoid the federal minimum wage becoming a below-subsistence rate and to minimize the impact of severe downturns on America's workers, respectively: (1) raise the minimum wage to $11.50 and index it to inflation and (2) establish direct payments to individuals that would automatically be paid out early in a recession and continue annually when the recession is severe.

The history of the minimum wage

The federal minimum wage was established in 1938 by the Fair Labor Standards Act (FLSA). The Roosevelt administration adapted the law from provisions of the National Industrial Recovery Act (NIRA), a broader New Deal initiative deemed unconstitutional in 1935. Labor standards initially forwarded in NIRA, including wage-hour legislation, became major campaign issues in the 1936 election.

President Roosevelt won in sweeping fashion that year, claiming 98 percent of the electoral vote and a strong mandate for his campaign priorities. Perhaps emboldened by his margin of victory, Roosevelt threatened to "pack" the Supreme Court to overcome further judicial invalidations of his New Deal statutes shortly after the election. Though widely admonished, this threat may have motivated a key decision in the history of the minimum wage: the "switch in time to save nine." The "switch" refers to Justice Owen Roberts' vote to uphold a Washington state minimum wage law in 1937, just one year after the Court struck down a similar New York law as a violation of liberty of contract.[1]

The FSLA meant to counteract dramatic changes in business practices that arose in the wake of the Depression. Two key findings by Congress motivated the act: (1) employers paying substandard wages were driving down industry wage rates in efforts to compete with lower-priced goods and (2) these decreased wages were a primary cause of one-third of the population being "ill-nourished, ill-clad, and ill-housed."[2] As demand collapsed, even employers with formerly high labor standards began overworking employees to remain competitive.[3]

The law established a floor of $0.25 per hour, rising gradually to $0.40 by 1945. It also mandated overtime pay and created the Wage and Hour division inside the Department of Labor.[4] The wage floor would stem the destitution wrought by Depression-era wages, while overtime pay would create incentive to hire new employees instead of overworking existing ones.
Roosevelt said that "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country" in his initial statement on NIRA.[5] A relentless messenger, he sent the FSLA bill to Congress five years later with similar sentiment: America should be able to give "all our able-bodied working men and women a fair day's pay for a fair day's work."[6]

The federal minimum wage has been raised 22 times since its inception, most recently to $5.15 in 2007 with steps to $7.25 per hour in 2009. It also covers approximately 84 percent of the labor force compared to about 20 percent in 1938.[7] The tenor of the debate over the minimum wage has been the only constant – it remains a politically charged issue in Congress and among the American people.

1 Grossman, Jonathan. "Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage." Monthly Labor Review 101.

2 The Fair Labor Standards Act (FLSA): an overview, The Fair Labor Standards Act (FLSA): an overview § (n.d.).

3 Grossman, Jonathan. "Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage." Monthly Labor Review 101.

4 The Fair Labor Standards Act (FLSA): an overview, The Fair Labor Standards Act (FLSA): an overview § (n.d.).

5 "National Industrial Recovery Act: FDR's Statement – 1933." Social Welfare History Project, March 12, 2018. https://socialwelfare.library.vcu.edu/eras/great-depression/national-industrial-recovery-act-fdrs-statement-1933/.

6 Grossman, Jonathan. "Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage." Monthly Labor Review 101.

7 "What Is the History of the Minimum Wage?" UC Davis Center for Poverty Research. Accessed April 27, 2020. https://poverty.ucdavis.edu/faq/what-history-minimum-wage.

Analysis

Differing conceptions of fairness and basic living standards are often considered the root of disagreements regarding the minimum wage and what it ought to achieve. However, the historical context in which the minimum wage was conceived provides a different and useful starting point for assessing whether the wage floor has achieved its socioeconomic goals. It should first be determined if the minimum wage protects against destitution. This is a lower bar than what the rhetoric behind the legislation demands, but it was the primary consideration that compelled Congress's first action. The wage floor was not meant to be a panacea. Rather, it was one of many tools used to combat hardship faced by vulnerable workers in a recession economy and it should first be assessed on this basis.

What wage constituted an adequate floor?

The original minimum rate of $0.25 represented 40 percent of the average hourly earnings of production workers in manufacturing in 1938.[8] Production workers were chosen for a relative benchmark rate since they made up 34 percent of all pre-Depression, non-farm labor and represented a wide swath of major industries. Though the law included wage increases out to 1945, average wages for production workers had risen to $1.02 by that time. In fact, by 1938, wages had already been rising for four years and were above nominal pre-Depression era wage rates.[9] Further, though total employment among production workers fell from a peak of 10.5 million in 1929 to 6.8 million in 1932, it had returned to pre-Depression levels by the time the law took effect.[10] Thus, the wage floor came late and would only briefly manage to keep pace with market wages. New legislative action would be required for it to rise any further.

Congress has since managed to revisit the minimum wage to maintain this modest floor. In fact, there is remarkable symmetry with the Depression era when we assess comparable measures today. Average hourly wages across workers in office administration, sales, transportation and production – four major employment categories accounting for 38 percent of total employment – were $16.19 in 2009.[11] Congress therefore established a relative minimum at 45 percent of the earnings of this new representative swath of Americans with its last adjustment. Yet the minimum wage today stands at just 38 percent of this same benchmark, since, as in 1938, further automatic increases were not built in.[12]

Another notable symmetry between these periods are prevailing economic conditions - the Great Recession officially ended in 2009. Though Congress managed to pass an increase in the wage floor just prior to its onset, workers faced a new but still troubling precarity in the crisis. Wage rates were more stable in the Great Recession relative to the Great Depression, but the nature of work had changed so dramatically in our consumer- and service-led economy that protecting wages alone was not enough to protect the most vulnerable workers. Vulnerable workers in the Great Recession did not spend 14 hours on a factory floor. Rather, they were contractors and gig workers pulling together odd jobs to stay afloat, or part-time workers trying to maintain steady shifts across two jobs. Employers, by now long familiar with wage-hour legislation, had developed other means of shifting the burden of downturns to these employees, including cutting hours or moving them to overtime-exempt, salaried roles.

Employment impacts of the Great Recession, unmediated by a similar mobilizing effort for our major industries like World War II, were also long lasting. Unemployment remained above 9 percent into late 2011 before only slowly receding, and labor force participation rates have yet to recover.[13]

The original wage mandate and recent history show a substantial lag in policy efforts pertaining to matters as dynamic as wage rates and business practices. The initial law staved off destitution by setting a floor, but the critical need precipitated by the depression era economy had begun receding by its implementation. A full-time minimum wage earner today, meanwhile, makes just $14,790. This is above the Federal Poverty Level

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8 Historical statistics of the United States, 1789-1957, a supplement to the statistical abstract of the United States, Historical statistics of the United States, 1789-1957, a supplement to the statistical abstract of the United States § (1960).

9 Ibid.

10 U.S. Congress. Bureau of Labor Statistics, Department of Labor. Labor Statistics Bureau Bulletin 916; Handbook of Labor Statistics, 1947 Edition. Congressional Document, 1948. https://search.proquest.com/congressional/view/app-gis/cisindex-/11184_h.doc.317_index.

11 "May 2009 National Occupational Employment and Wage Estimates." U.S. Bureau of Labor Statistics. U.S. Bureau of Labor Statistics, March 31, 2020. https://www.bls.gov/oes/tables.htm.

12 "May 2019 National Occupational Employment and Wage Estimates." U.S. Bureau of Labor Statistics. U.S. Bureau of Labor Statistics, March 31, 2020. https://www.bls.gov/oes/current/oes_nat.htm.

13 "Databases, Tables & Calculators by Subject." U.S. Bureau of Labor Statistics. U.S. Bureau of Labor Statistics. Accessed April 27, 2020. https://data.bls.gov/.

(FPL) for an individual, meaning the minimum still satisfies the government's barest mandate.[14] Gradual expansion across industries also shows the government's interest in at least achieving this minimum for most workers. And perhaps it has. Surpassing the FPL is a narrow achievement for a minimum wage, however. The FPL is a rigid assessment given variation in costs of living across the States. It also varies by household size. A household of five with two full-time minimum wage earners, for example, would be considered poor.
This means the minimum wage may now be failing its most basic mandate. But a focus on protection is not what drives the debate today. Instead, difficult questions of fairness and what employers owe to their employees motivate discussion. One could argue as to whether the government ought to answer these via a wage mandate, but the debate becomes confused given the law's intention and impact have never matched its accompanying rhetoric. The divide in the minimum wage fight, meanwhile, is only growing, with some calling to abolish it and others to more than double it. Clearly, no one law can resolve these hard questions.

The debate that has persisted since the 1930s not only lacks nuance, but also context. We appear to have lost sight, for example, of the depression-era economy in which wage-hour legislation arose and its concurrent focus on employment. Mandating overtime pay was an effort to increase employment as severe losses in aggregate demand wrought havoc on the economy and compelled many businesses to overwork employees in a race to the bottom. Our economy has changed, but the Great Recession shows vulnerable workers remain exposed to aggressive business practices.

While we cannot resolve the hardest questions quickly, some clear guidelines for pragmatic policies have surfaced from new research. First, Arindrajit Dube, in a comprehensive review of international evidence on the impact of minimum wages on employment, finds that minimum wages up to 60 percent of median hourly earnings have little to no effect on employment levels. [15]Increasing earnings too much, meanwhile, can have substantial impacts. The CBO estimates setting the federal minimum wage to $15 would lift the wages of at least 17 million workers, but leave at least 1.3 million, and perhaps as many as 3.7 million, jobless.[16]

Second, research by Claudia Sahm shows that direct, broad-based stimulus in a consumer-driven economy is effective at stabilizing aggregate levels of demand during economic downturns.[17] Increases in the unemployment rate are a reliable indicator for such events, and could be used as a triggering mechanism to ensure a prompt government response to a possible recession.[18]

Balancing the trade-offs in the minimum wage debate requires clear thinking, time, and honest effort – things lacking in today's Congress. Two common sense policies based on the evidence above can be passed immediately, however, to ensure some combination of wage-hour mandates and timely government action can avoid the destitution wrought by economic crises. Automaticity is built into each recommended policy to ensure that once they are passed, Congress can devote focused attention to the larger issues of fairness that times of immediate need tend to suppress, and that require much more than a minimum wage to resolve.

Recommendations

Raise the minimum wage to $11.50, or 60 percent of area median income, and index it to inflation. The current median wage rate across all occupations in the US is $19.14.[19] Using Dube's projections, a wage of $11.50 per hour should have limited impact on employment. Given significant heterogeneity in costs of living across the US, the wage in each state should be set to the lower of two values: the federal rate or 60 percent of area median income (AMI). Every five years, the statewide AMI will be assessed to see if the exemption should be maintained or if its wage should track the federal rate. Though there is sizable variation in within-state costs of living, many major cities already set much higher local minimum wages and may continue to do so.[20]

14 "2020 Poverty Guidelines." ASPE, January 21, 2020. https://aspe.hhs.gov/2020-poverty-guidelines.

15 HM Treasury. "Review of the International Evidence on the Impacts of Minimum Wages." GOV.UK. GOV.UK, March 13, 2019. https://www.gov.uk/government/publications/review-of-the-international-evidence-on-the-impacts-of-minimum-wages. Page 2.

16 U.S. Congress. Congressional Budget Office. The Effects on Employment and Family Income of Increasing the Federal Minimum Wage. Congressional Publications, 2019. Page 1.

17 "Recession Ready: Fiscal Policies to Stabilize the American Economy" Accessed April 27, 2020. https://www.hamiltonproject.org/papers/recession_ready_fiscal_policies_to_stabilize_the_american_economy. Page 72.

18 Ibid. Page 76.

19 "May 2019 National Occupational Employment and Wage Estimates." U.S. Bureau of Labor Statistics. U.S. Bureau of Labor Statistics, March 31, 2020. https://www.bls.gov/oes/current/oes_nat.htm.

20 "Inventory of US City and County Minimum Wage Ordinances ." Center for Labor Research and Education. http://laborcenter.berkeley.edu/minimum-wage-living-wage-resources/inventory-of-us-city-and-county-minimum-wage-ordinances/.

Establish direct payments to individuals that would automatically be paid out early in a recession and then continue annually when the recession is severe. The minimum wage cannot respond to cyclical downturns in the economy that impact the most vulnerable Americans. In fact, many of those at the margin are at greatest risk of losing their work in a downturn if consumer spending dramatically falls. Current automatic stabilizers, such as unemployment insurance and progressive income taxation, are not broad-based enough to effectively maintain spending levels and aggregate demand in a downturn.[21] Therefore, lump-sum annual payments should be made to all Americans, regardless of their income level, when the three-month average national unemployment rate rises by at least 0.50 percentage points relative to its low in the previous 12 months.[22] Payments can be prolonged if cumulative unemployment rate increases breach 2.0 percent, signaling a deeper recession.

Conclusion

The minimum wage and its surrounding debate will persist. Its partisans ought to continue adjudicating the trade-off between increasing wages for incumbent job holders and risking the jobs of those on the margins. But history shows that becoming lost in the rhetorical debate risks even the barest mandate of wage-hour legislation: providing a level of protection in times of economic need.

The current minimum wage is at the cusp of becoming a poverty-level wage due to gradual erosion by inflation and congressional inaction. Increasing the wage and indexing it as proposed will have little impact on employment, but also avoid the need to revisit this difficult political battle soon.

The direct stimulus, meanwhile, will do what the federal minimum wage cannot – provide immediate, broad-based relief to Americans in times of severe downturns. Congress's inability to agree to a second stimulus during the ongoing pandemic situation is only the latest example of why automatic stimulus measures are needed. Such payments will disproportionately benefit those at greatest risk because they will represent a more substantial fraction of current earnings for those at the bottom and because maintaining aggregate demand and consumer spending spares jobs at the margin.

21 "Recession Ready: Fiscal Policies to Stabilize the American Economy" Accessed April 27, 2020. https://www.hamiltonproject.org/papers/recession_ready_fiscal_policies_to_stabilize_the_american_economy. Page 68.

22 Ibid. Page 76.