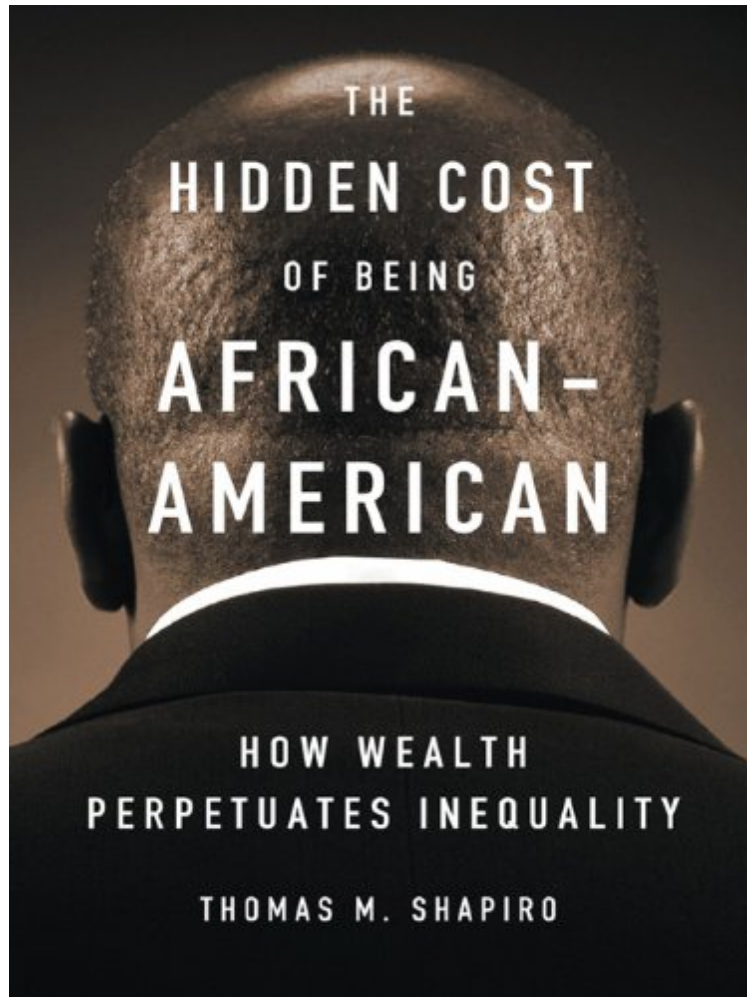


[Get free] The Hidden Cost of Being African American: How Wealth Perpetuates Inequality

## The Hidden Cost of Being African American: How Wealth Perpetuates Inequality

*Thomas M. Shapiro*

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**Thomas M. Shapiro : The Hidden Cost of Being African American: How Wealth Perpetuates Inequality** before purchasing it in order to gage whether or not it would be worth my time, and all praised The Hidden Cost of Being African American: How Wealth Perpetuates Inequality:

0 of 0 people found the following review helpful. Amazing Read! So Much Knowledge!By CustomerI'm am biracial and never really believed that blacks couldn't as successful as whites. This book really opened my and I actually related to how black families don't provide their children with a head start and not because they don't want to, they just don't have a long lineage of wealth. This was a great read and I don't normally read this type of book. I couldn't put it down!5 of 6 people found the following review helpful. A HEADSTART FOR WHITE PEOPLEBy AlanWarnerThis book does an excellent job of pointing out the wealth discrepancy between white and black people but this book does

not go into depth as to why that difference exists today that is why I recommend that you first read the book WHEN AFFIRMATIVE ACTION WAS WHITE by Ira Katznelson before you read THE HIDDEN COST OF BEING AFRICAN AMERICAN. The U.S. government made it possible for white Americans in the 1930s and the 1940s to inch their way into the middle class status of the 1950s that was not the case with how this government treated black Americans during that time period.<sup>66</sup> of 69 people found the following review helpful. A Worthy Successor to Black Wealth/White Wealth By Fred McGhee Make no mistake about it. The snide comment by Washington Post reviewer Michael Hout above indicates a fundamental inability to comprehend what Shapiro is saying. Why would Hout choose to write this in his review?: "Families and generations are at the core of Shapiro's analysis. So I was surprised that he did not directly address how marriage and family structure fit into the cycles of accumulation, inheritance and investment. Married couples accumulate more wealth than single parents do, according to other researchers. That suggests to me that African-American family issues must play a role in the wealth gap." Hout obviously is attempting to make a point about the high rate of single parent families within Black America, and is implying that if only Black women chose to marry the fathers of their babies that they would not suffer many of the consequences Shapiro lays out in his book. There is but one problem: Shapiro addresses this lame-ass "culture of poverty" nonsense repeatedly in his book, and convincingly shows that even if Black marriage rates were equal to white rates that African-Americans would STILL have less wealth, educational opportunities, and transformative assets. Moreover, Shapiro does a good job of pointing out the motivations behind WHY whites like Mr. Hout consistently resort to the same trite culturalist arguments of Black pathology when confronted with the troubling facts: they can't bring themselves to admit that their white privilege was constructed and is maintained at the expense of people of color, especially Blacks, because it shatters their deep-seated need to believe that they "earned" everything that they have instead of having been bequeathed it as a result of generations of racial prejudice and institutional racism. Perhaps the subtlety of Mr. Shapiro's argument was a tad too much for Mr. Hout and his editors at the Washington Post. If anything, Shapiro's argument can be argued from a left perspective to be an insufficient "liberal" formulation that refuses to engage and critique the structural inequalities of capitalism head-on, substituting a Ford Foundation-esque "asset accumulation" prescription for maladies that require far more radical measures. As authors such as Manning Marable have noted for years, much of American capitalism was structurally DESIGNED to UNDERDEVELOP Black America and continues to operate in this fashion. Thus arguing that Blacks simply need "more" wealth in order to achieve racial parity overlooks many sociological and anthropological insights about race developed over the past thirty years, as well as many Marxian insights about race that have been floating around for years as well. Still, even as a half-measure, this is a highly enlightening and challenging read. It is sure to make many white families uncomfortable because they will probably see themselves in much of what Shapiro writes. Which is the point.

Thomas Shapiro reveals how the lack of family assets--inheritance, home equity, stocks, bonds, savings accounts, and other investments-- along with continuing racial discrimination in crucial areas like homeownership dramatically impact the everyday lives of many black families, reversing gains earned in schools and on jobs, and perpetuating the cycle of poverty in which far too many find themselves trapped.

From Publishers Weekly Shapiro, coauthor of Black Wealth/White Wealth, has helped establish that the racial gap in wealth-i.e., assets, including property-is more enduring than the gap in income. That gap, a 10-fold ratio, is exemplified by what the author terms "transformative assets"-gifts, from parents and others, that work to lift succeeding generations economically and socially beyond their own achievements. Interviews with black, white and Hispanic families in Boston, Los Angeles and St. Louis show families with similar incomes living in stratified neighborhoods (and better school districts) thanks to parental help. Most of the white interviewees don't recognize the role of Shapiro's form of privilege in their lives, while middle-class blacks report far more issues with needy parents, relatives and friends. Shapiro, who holds a chair in law and social policy at Brandeis, also shows why it costs more for blacks to buy homes: discrimination in credit, higher interest rates (whites have more capacity to pay "points") and depressed home values caused by residential segregation all contribute. At the same time, Shapiro says, policies such as the federal tax break on mortgage interest perpetuates inequality by making the relatively rich richer. He proposes several class-based, tax-eased solutions at the federal level that go beyond social security: children's savings accounts; individual development accounts that match savings; and down payment accounts to help buy homes, drawn from a partial tax credit for renters. Such policies, he reminds us, would hardly be outlandish; they echo previous asset-building policies such as the Homestead Act, the GI Bill and Veterans Administration home loans. A reformed estate tax, he argues, would also help move toward fairness. With all the data Shapiro convincingly pulls together, this should be an essential document for policy groups and could reframe the debate around affirmative action and reparations. Copyright copy; Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. From Booklist Shapiro follows up on his earlier work, Black Wealth/White Wealth (1995), which reflected on the racial inequality that is passed from one generation to the next. In this book, Shapiro relates stories, drawn from interviews with both blacks and whites, from the Boston, L.A., and St. Louis areas, of how individuals and families use their

assets to secure advantage and opportunities. Shapiro focuses not just on inherited wealth but also on what he calls transformative assets, which help to get families beyond their own achievement levels, for instance, providing a down payment for a home. He explores the equity values associated with owning homes and the connection between home ownership, community, and high-quality education. He also examines government policies that impact racial inequality, including the post-World War II housing boom facilitated by the FHA, which excluded black participation, negatively affecting generations to follow. Shapiro does an excellent job of showing the connections between racial inequality, opportunities, and family wealth. Vernon Ford

Copyright copy; American Library Association. All rights reserved "Powerfully mixes poignant individual stories and moral outrage with clear statistical analyses and a strong exposition of a workable solution to continued, severe racial inequality."--Boston Globe "With all the data Shapiro convincingly pulls together, this should be an essential document for policy groups and could reframe the debate around affirmative action and reparations."--Publishers Weekly "Shapiro does an excellent job of showing the connections between racial inequality, opportunities, and family wealth."--Booklist "How can disadvantage persist so long after most laws, minds and practices have changed? Shapiro argues in this sober and authoritative book that we should look to disparities of wealth for the answer.... Few of his proposals may be tried in the current political climate, where far more pressure goes toward abolishing inheritance taxes altogether. Yet by giving such a frank and probing appraisal of the long-term damage wrought by unequal wealth, Shapiro continues to press the case for resolving America's most stubborn and profound source of racial division."--Washington Post BookWorld "This book almost unerringly finds its mark."--Crisis "Shapiro's book deserves attention for its focus on an enduring fissure in Americans' ideas about themselves. There were and are considerably fewer self-made men in the New World than the current mythology enumerates. Those who enjoyed success largely did so abetted by the sweated labor of those whom they owned or hired, not to mention their wives, who kept their homes clean and bore their children. Inequality was the favored few's leg-up on life. If that advantage persists, as Shapiro suggests it has, and if it is being replicated through generations, because of the financial advantages reaped by the founders of those generations, as he also suggests, then it is time to consider ways to redress the balance of inequality."--The New Leader "An important book about the troubling and persistent disparities of wealth along racial lines. It deepens our critical understanding of how inherited wealth distorts real meritocracy and equal opportunity." --Bill Gates Sr. and Chuck Collins, co-authors of *Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes* "This important book takes the critical next step in wealth research: Through intimate portraits of American families it shows how wealth matters. Shapiro convincingly demonstrates how parents use household wealth to foster advantage for their children--and how African Americans are at a distinct disadvantage in this game by virtue of a relative lack of family assets. Important reading for anyone interested in how race and class works in contemporary America." --Dalton Conley, author of *Honky* "A great read and a remarkable advance in showing how assets take on profound importance in shaping racial inequality in America. With its masterful combination of in-depth interviews and quantitative data, it will convince even the most skeptical reader that the playing field is far from level." --Mitchell Duneier, author of *Sidewalk and Slim's Table: Race, Respectability, and Masculinity* "This insightful study adds to a growing body of research documenting that asset holding has important effects on well-being, independent of income. Shapiro explores complex relationships among race, home ownership, and educational opportunity. He assesses the cost of being black in these crucial interactions. He introduces the concept of transformative assets to describe inherited wealth that makes a difference in life chances. This book should be read by anyone concerned about race, wealth, and the future of America." --Michael Sherraden, Benjamin E. Youngdahl Professor of Social Development, Washington University in St. Louis