



**BlackEconomics.org®**

### **“Another Take on Black American Reparations”**

The typical Black American “reparations” argument proposes a tallying up of the hours worked by former slaves, valuing that free labor, plus the cost of discrimination over the years, and bringing the total value to the present using some discount factor. To agree to such a reparations arrangement, one has to concur on—and accept some responsibility for—all of the adverse outcomes that resulted from slavery and discrimination. Many White Americans do not concur or accept responsibility for reparations under these conditions.

A potentially more palatable method for calculating reparations is to agree—and many do—that Black life in America has been limited/constrained as evidenced by the need to pass a long series of laws that were designed to help reduce inequality. In other words, persons that concur that these laws had these purposes and intents should also agree that, if Black Americans had been treated fairly/equally over the past 400-plus years (i.e., if Blacks had been equal to Whites), then Black life would have evolved just as White life has evolved and that Black

Americans would be experiencing a life that is comparable to White American life today.

But we recognize that all White American life is not peaches in cream. Rather, White income and wealth are distributed over some wide range of levels—from the very poor to the very rich. Therefore, if Blacks are to be made whole and equal to Whites, then we should also reflect a similar range of wealth in proportion to our presence in the population.

How do we get there? Easy! Simply take the total value of household wealth in the US, then ensure that a representative percentage (about 13 percent) of that wealth is allocated to Black Americans.<sup>1</sup>

There are at least three methods for performing this allocation:

1. Proportionally distribute the wealth due to Black Americans in accordance with the current wealth distribution of Black American households—from billionaires down to paupers.<sup>2</sup>

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<sup>1</sup> According to the US Census Bureau, the US population in April 2020 was 331.5 million, and that Black Americans (alone) represented 13.4 percent of that population;  
<https://www.census.gov/quickfacts/fact/table/US/PST045219> (Retrieved 071121).

<sup>2</sup> Of course, a reverse proportional distribution might be favored. That is, poor Black Americans could be allocated proportionally more, while wealthy Blacks could be allocated proportionally less.

2. Allocate the wealth due to Black Americans, as we have proposed elsewhere, in the form of land, materiel, and services for the purpose of Black nation formation.<sup>3</sup>
3. Make an equal distribution of the wealth due to Black Americans to each qualifying Black American.

While there may be other methods for distributing reparative wealth to Black Americans, it seems that the above-given three methods are most salient. In the first case, Blacks already accept a wide distribution of wealth in our existing society, and we should not balk at a continuation of this type of wealth distribution—but with everyone’s wealth elevated to some extent. In the second case, the establishment of a Black nation would remove us from under the thumb of a hard task master, give us freedom from the constraints imposed by a discriminating world, provide us with a chance to become whole, and ensure us an opportunity to show our creativity and excellence in building a world of our own—something that we sought vigorously in the immediate aftermath of the Civil War. In the third case, while the distribution might be “equitable,” it is likely that much of the wealth would be lost by those unaccustomed to managing wealth, and whose immediate gratification of desires might lead to hasty decisions that would see the wealth slipping through the fingers of those for whom it was intended. In the latter case, some Blacks might end up in relatively worse economic condition than before reparations were distributed.

<sup>3</sup> See 2015 [BlackEconomics.org](#) research on “[A Broad Three-Point Reparations Program for US Afrodescendants Versus CARICOM’s 10-Point Program](#)” (Retrieved 071121).

<sup>4</sup> See Darity Jr., W.A. and Mullen, A. K. (2020). *From Here to Equality: Reparations for Black Americans in the Twenty-First Century*. University of North Carolina Press, Chapel Hill.

The point being that there are multiple perspectives from which to determine the reasons for reparations and the methods for distributing the wealth due to Black Americans. To date, the tradition has been very much aligned with measuring hour-by-hour, year-by-year the inequity, valuing it, and restating it in present-value terms. We suggest that a method that might be more acceptable and meaningful is to simply agree that: (1) Black Americans have been constrained in our life efforts; and (2) that if Blacks had had all of the opportunities made available to Whites (at all levels), then our wealth and its distribution across households would be proportional to our presence in the population. Also, White and Black American wealth would be distributed similarly.

The most recent and complete analysis of the loss of income and wealth by Black Americans due to slavery and discrimination by Darity and Mullen places the value of reparations at about \$12-to-\$14 trillion.<sup>4</sup> On the other hand, the proportional wealth reparations method described above would require that about 13 percent (our proportion of the current population) of total household wealth in America (some \$136.9 trillion) be redistributed to Black Americans. The relevant amount is \$17.8 trillion.<sup>5</sup> Of course, existing Black American wealth should diminish the just-stated amount.

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<sup>5</sup> The \$136.9 trillion represents Households’ and Nonprofit Organizations’ net worth from the related balance sheet in the Federal Reserve Board’s *Financial Accounts of the United States* (Q1 2021) (line 40 of Table B.101); <https://www.federalreserve.gov/releases/z1/20210610/html/b101.htm> (Retrieved on 071121).