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Combating the Racial Wealth Gap: A Government and Corporate-Centric Approach

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NOTE

COMBATING THE RACIAL WEALTH GAP: A GOVERNMENT AND CORPORATE-CENTRIC APPROACH

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I. INTRODUCTION

This paper calls attention to the ever-present racial wealth gap in America and illuminates how capitalism, despite its ardent proponents, continues to exacerbate that gap. On its face, the supposed free market that drives America's capitalistic society is race-neutral. An ever-changing shift of supply and demand drives the market. Although slow-moving corrections and the guiding hand of an over-burdensome government create inefficiencies, free-market proponents argue that if these impositions are removed or mitigated, all will benefit, regardless of the color of their skin. But hiding under the arguments of government-imposed inefficiencies lies an economy where most wealth gains attributed to economic growth remain with those already deeply entrenched in the upper echelon of the wealthy elite. And those comfortably reaping the benefits are hardly apt to give back to others, choosing instead to shape the economy as they wish.

The flawed execution of the free market, while somewhat attributable to inefficiency creating externalities (i.e., government regulation), can largely be attributed to one primary contributor: the wealth-holders who drive both private and public policy for their own gain. To effect change and alleviate these gross racial disparities, we should focus on achieving a moral goal often left by the wayside—dignity. An economic approach that focuses on strengthening the dignity of all can upend the purely capitalistic focus that has permeated over the past one-hundred years. The capitalistic status quo only threatens to widen the racial divide. A dignity-oriented approach may do just the opposite.

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II. Today's Racial Wealth Gap

In recent years, America's economic success has seen many measurable gains go to the top wage earners, creating a widening gulf in an already unequal country. Yet, when the data is broken down further, an even broader void is seen between White and Black America. How did we get here? And how can we lessen this gap? While many public policy decisions, global events, and corporate decisions form the story, this paper will discuss two: first, the so called "Golden Age of Capitalism," an era following the end of World War II that saw large swaths of America fulfill what has become known as the "American Dream"; and second, the mortgage-lending habits, primarily concocted by large corporate banks, that led to the great recession. Both topics highlight the divide between White and Black America. The Golden Age of Capitalism showcases how hidden agendas underlying government programs can have decades-long repercussions for Black Americans. And the lending leading up to the great recession showcases how even corporate America, in all its free-market glory, makes decisions that have vast racial ramifications.

A. *A Flawed Economic Approach*

President Kennedy is often attributed with coining what would become a mainstream economic policy mantra, that "[a] rising tide lifts all boats."[1] The idea was simple: "good economic policy simultaneously spurs growth and raises the living standard of *all* Americans."[2] In recent years, critics exposed a flaw in this logic, pointing out that working-class Americans saw growth in their living standards stagnate. This stagnation compounded even further for Black Americans.

A look at the growth of the United States' post-World War II Gross Domestic Product (GDP), a measure of the country's production of both goods and services, paints a relatively rosy picture. From 1950 to 1980, GDP rose from nearly $300 billion to $2.8 trillion.[3] That number continues to increase exponentially: as of 2020 the United States GDP stands at $21 trillion.[4] Economists view growing GDP as an indicator "associated with greater economic opportunities and an improved standard of material well-being."[5] However, while GDP provides a birds-eye view of the economy as a whole, it fails to provide further insight to more microeconomic indicators such as health, happiness, and equality.

1. Gene Sperling, *How to Refloat These Boats*, WASH. POST (Dec. 18, 2005), https://www.washingtonpost.com/wp-dyn/content/article/2005/12/17/AR2005121700028.html.

2. *Id.* (emphasis added).

3. *Gross Domestic Product*, USA FACTS (last visited Feb. 5, 2022), https://usafacts.org/data/topics/economy/economic-indicators/gdp/gross-domestic-product/.

4. *Id.*

5. Jason Fernando, *Gross Domestic Product (GDP): Formula and How to Use It*, INVESTOPEDIA (July 29, 2022), https://www.investopedia.com/terms/g/gdp.asp.

If President Kennedy's rising tide remarks held true, the United States' GDP growth would lead to better living standards across the board. But that hasn't happened. President Kennedy recognized the flaws in relying solely on GDP growth as a measure of success:

> The gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. . . . It measures everything, in short, except that which makes life worthwhile.[6]

Kennedy's remarks remain alarmingly true today. As Gene Sperling, former economic advisor to President Clinton and President Obama, noted in 2005, a more appropriate phrase regarding GDP growth is "the tide will lift some boats, but others will run aground."[7] Despite continual GDP growth, gains in wealth for some Americans have not followed. In fact, the wealth gap between low-income and wealthy Americans continues to grow.

Economic data shows that despite an ever-growing United States economy, working class individuals have not reaped the benefit. When adjusting for inflation, "today's average hourly wage has just about the same purchasing power it did in 1978."[8] Worse yet, the realization of wage gains throughout the last twenty years largely went to high earners.

> Since 2000, usual weekly wages have risen 3% (in real terms) among workers in the lowest tenth of the earnings distribution and 4.3% among the lowest quarter. But among people in the top tenth of the distribution, real wages have risen a cumulative 15.7%, to $2,112 a week – nearly five times the usual weekly earnings of the bottom tenth ($426).[9]

Uneven wage growth is a contributing factor to the widening income inequality in the United States. "In 2016[,] Americans in the top tenth [percentile] of . . . income distribution earned 8.7 times as Americans in the bottom tenth [percentile]."[10] In 1970, that number was only 6.9 times as much.[11]

The uneven economic tide isn't race-neutral either; oftentimes Whites realize economic gains in greater effect than minorities. For example, "[i]n the second quarter of 2021, Black workers earned 74.9% as much as White

6. GENE SPERLING, ECONOMIC DIGNITY 4 (2020).

7. Sperling, *supra* note 1.

8. Drew DeSilver, *For Most U.S. Workers, Real Wages Have Barely Budged in Decades*, PEW RSCH. CTR. (Aug. 7, 2018), https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/.

9. *Id.*

10. *Id.*

11. *Id.*

workers."[12] These lower incomes are also reflected in the increasing income gap between White and Black households. In 1968, the median household income (adjusted to 2019 dollars) was $48,300 for White Americans and $26,700 for Black Americans, a gap of $21,600.[13] In 2020, that gap increased: the median White household income was $91,000 and only $57,100 for Black households, a gap of $33,900.[14]

While wage stagnation disproportionately impacts Black households, an even more staggering discrepancy is seen in familial wealth. Wealth is measured as a household's total assets (which includes property such as homes and automobiles) minus its total debts. In 1983, the median wealth (in 2019 dollars) of White families stood at $106,900, while Black median wealth was a mere $13,300, a gap of $93,700.[15] Since then, that gap widened considerably. In 2019, the median wealth of White families was $189,100, while the median wealth of Black families was $24,100, a gap of $165,000.[16] Between stagnating income growth and staggering familial wealth differences, Black Americans face a fundamentally different American experience compared to their White counterparts. US Government initiatives, and a flawed economic approach, shaped Black Americans' experiences and created gross disparities in both benefits and opportunities.

B. A Growing Post-WWII Divide

America's racial divide can be traced back to its early years. From its founding, slaves helped build America. And while points in history offered glimmers of hope, such as reconstruction-era efforts that attempted to level the racial playing field, government and corporate behavior often contributed to the ever-growing divide. This paper would become a full-sized novel if it were to take an in-depth look at the underlying causes of the economic disparities from the eighteenth century to modern day. Instead, the focus will be narrower, looking to Post-World War II America.

After World War II, America became a model of progress for the world to strive towards. The economy boomed, living standards increased, and its global sway grew. Yet, at the same time, America's internal divide continued to widen: White Americans prospered, and Black Americans were left behind. By narrowing the historical scope of this paper's analysis,

12. Rakesh Kochhar & Jesse Bennett, *Despite the Pandemic, Wage Growth Held Firm for Most U.S. Workers, with Little Effect on Inequality*, PEW RSCH. CTR. (Sept. 7, 2021), https://www.pewresearch.org/fact-tank/2021/09/07/despite-the-pandemic-wage-growth-held-firm-for-most-u-s-workers-with-little-effect-on-inequality/.

13. Richard Fry, Jesse Bennett & Amanda Barrosso, *Racial and Ethnic Gaps in the U.S. Persist on Key Demographic Indicators*, PEW RSCH. CTR. (Jan. 12, 2021), https://www.pewresearch.org/interactives/racial-and-ethnic-gaps-in-the-u-s-persist-on-key-demographic-indicators/.

14. *Id.*

15. *Id.*

16. *Id.*

it becomes easier to identify where the country went and continues to go wrong and suggest options to right a ship that deviated far off its intended path.

On the surface, America entered a period of economic prosperity following World War II. Upon the War's end in 1945, veterans returned home to an ample supply of jobs and brought with them increased savings and a massive desire to spend.[17] Economic data tells a story of a flourishing America. Following 1945, GDP skyrocketed, growing from $200 billion in 1940 to over $500 billion by 1960.[18] Veterans and their newly forming families bought cars,[19] fueling an automobile industry that accounted for one out of every six American jobs.[20] These same families utilized loans provided by the Federal Housing Administration and the GI Bill to buy homes, leading to the creation of massive suburban housing developments.[21] An abundance of new homes provided demand for appliances to fill them, providing a natural fit for companies to shift from building wartime necessities to providing new suburban-household luxuries.[22]

But only some experienced this idyllic post-war America. While the GI Bill promised prosperity to returning veterans, it came with a caveat: prosperity was only available if you were White.[23] In reality, the GI Bill and other post-war efforts created two different tracks for individuals. For Whites, it provided upward mobility and the opportunity to grow wealth that could be passed down to the next generation. For Blacks, it meant relegation to the inner-cities and exclusion from wealth-building opportunities that have only been exacerbated nearly eighty years after the war's conclusion.

The GI Bill deprived Black Americans of homeownership opportunities, among other racially motivated repercussions, which persist today. Economist Thomas Piketty notes the importance of ownership to economic well-being, emphasizing that the important question to ask for wealth growth is not "who *earns* what, but who *owns* what."[24] Those who own capital in today's economy (i.e. land, housing, and financial assets) are capable of "generat[ing] rent, dividends, and interest"; meanwhile, "house-

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17. Sarah Pruitt, *The Post World War II Boom: How America Got Into Gear*, HIST. (May 14, 2020), https://www.history.com/news/post-world-war-ii-boom-economy.

18. *Id.*

19. "New car sales quadrupled between 1945 and 1955, and by the end of the 1950s some 75 percent of American households owned at least one car." *Id.*

20. *Id.*

21. *Id.*

22. *Id.*

23. *See* Erin Blakemore, *How the GI Bill's Promise Was Denied to a Million Black WWII Veterans*, HIST. (Apr. 20, 2021), https://www.history.com/news/gi-bill-black-wwii-veterans-benefits.

24. KATE RAWORTH, DOUGHNUT ECONOMICS 144 (Joni Praded ed., Chelsea Green Publ'g 2017).

holds who only own their labor . . . generate[ ] only wages."[25] Put simply, in a capitalistic society, if you don't have capital, you don't benefit.

The extraordinary impact of government-created inefficiencies in a capitalistic society is embodied by the GI Bill's deprivation of capital from Black Americans. As Piketty highlights, "the returns to capital," which throughout history have been gifted to White Americans by the GI Bill and other measures, "have tended to grow faster than the economy as a whole, leading wealth to become ever more concentrated."[26] Without access to capital, Black America has been left by the wayside throughout America's "Golden Age."

The exclusion experienced by Blacks following the war was not a new experience, America teased racial progress in the past, most notably in the reconstruction era. The GI Bill provided yet another reminder of the harsh reality and challenges faced in non-White America. These challenges only continued after the war.

C. *The Accumulation of Wealth by America's Elites*

The year 1945 marked an inflection point across the globe; the post-war world saw the emergence of an increasingly dominant United States which touted its big homes, fast cars, and an abundance of opportunity as evidence of the success of its capitalistic and democratic model. What it failed to tell the world was that its model was prone to outside influence. Specifically, the influence of those who benefit from the free-market democratic state and the inordinate amount of power they possess that allows them to ensure they continue to benefit, oftentimes to the detriment of Black Americans.

1. *The C-Suite Elite*

> [T]he liberty of a democracy is not safe if the people tolerated the growth of private power to a point where it becomes stronger than the democratic state itself. That in its essence is Fascism—ownership of Government by an individual, by a group, or any other controlling private power.
>
> *Franklin Delano Roosevelt* (1938)[27]

President Roosevelt's words of caution ring as true today as they did over eighty years ago. Currently, the United States economy contains an immense amount of wealth, most of which is held by a select few, largely made up by corporate elite that are disproportionately White. The gross pay disparities between executives and employees highlight this wealth gap.

25. *Id.*
26. *Id.*
27. Franklin D. Roosevelt, President, Message to Congress on Curbing Monopolies (Apr. 29, 1938), https://www.presidency.ucsb.edu/documents/message-congress-curbing-monopolies.

Since 1978, US chief-executive pay rose 1,322%.[28] In the US, "the CEO-to-worker pay gap stands at a staggering 351 to one, an . . . increase from 15 to one in 1965. In other words, the average CEO makes nearly nine times what the average person will earn over a *lifetime* in just one year."[29] These individuals not only benefit from their own riches but wield a disproportionate amount of sway in both business and political arenas. As a result, they can ensure their stranglehold on the economy remains unfettered, even if it means others are unable to maintain even a substandard livelihood. The wealthy corporate elite continue to see their fortunes grow as the majority are left behind.

But even the growth of the wealthy few is not race-neutral. The racial makeup of Fortune 500 executive members showcases the C-suite disparities between White and Black Americans. In 2021, only four Black Americans were CEOs of Fortune 500 companies.[30] In the Fortune 500's history, over 1,800 CEOs helmed the Fortune 500-ranked companies; yet only nineteen were Black.[31]

The lack of diversity in corporate America's C-suites cuts off Black Americans' abilities to influence change. If Black Americans don't possess the inherent ability to enact change that comes with corporate power, changemaking is left to those that do possess power: White Americans. Unfortunately, the change that America's White corporate elite often envision is one that seeks to cement the place of White Americans, both individually and racially, at the top of the country's wealth echelon.

2. *Private Power and Public Policy*

If the GI Bill's fatally flawed execution perpetuated the already existent racial wealth gap, the wealthy elite ensured that gap remained. As America's public policy and capitalism collided, the two became intertwined. The dynamic of a capitalist society (the above-referenced idea that capital grows faster than the economy itself), is "reinforced through political influence – from corporate lobbying – to campaign financing – that further promotes the already wealthy."[32] Oftentimes, those driving political influence and corporate decision-making reap the benefit of policies that grossly impact already disadvantaged populations.

28. Indigo Olivier, Opinion, *American CEOs Make 351 Times More Than Workers. In 1965 It Was 15 to One*, GUARDIAN (Aug. 17, 2021), https://www.theguardian.com/commentisfree/2021/aug/17/american-chief-executive-pay-wages-workers.

29. *Id.*

30. Bryan Hancock, James Manyika, Monne Williams & Lareina Yee, *The Black Experience at Work in Charts*, MCKINSEY & CO. (Apr. 15, 2021), https://www.mckinsey.com/featured-insights/diversity-and-inclusion/the-black-experience-at-work-in-charts.

31. Phil Wahba, *Only 19: The Lack of Black CEOs in the History of the Fortune 500*, FORTUNE (Feb. 1, 2021), https://fortune.com/longform/fortune-500-black-ceos-business-history.

32. RAWORTH, *supra* note 24.

Political influence trickles down to the marketplace in the form of subtle collusion that continues to undermine America's free market. The wealthy elite often use this collusion to ensure their place atop society remains secure. As Brink Lindsey and Steven M. Teles note in *The Captured Economy*, "market rigging by the already powerful is the primary mechanism by which high status is entrenched."[33] A marketplace that naturally produces unequal returns can be manipulated to destroy any sense of competition. In a marketplace without outside influence, challengers, who are encouraged by "low barrier[s] to entry[,] . . . can force incumbents to invest their resources in innovation rather than accumulation, thereby driving economic growth."[34] To prevent the need for innovation, and instead line their own pockets, wealthy incumbents "can choose to invest in protecting themselves from competition rather than inventing new products or production methods or improving existing ones."[35]

Not only does the accumulation of wealth by the top one percent further perpetuate inequality, it also threatens democracy itself. In 2015, 500 billionaires called the US home.[36] These billionaires are becoming more and more involved in the political process. As former Vice President Al Gore notes, "American democracy has been hacked . . . and the hack is campaign finance."[37] Whether it be through direct financial decisions, or under-the-table campaign finance dealings, the intertwining of the corporate elite and government officials creates massive ramifications to the economy. When corporate elites are disproportionately White, corporate decision-making and campaign financing choices often advantage White Americans and widen the racial wealth gap.

3. *Policy Gone Wrong: The 2008 Financial Crisis*

The 2008 financial collapse highlights the effects of ill-advised decision-making by the corporate elite and its disproportionate effects on Black Americans. The post-2008 economic crisis is linked to early '90s policy recommendations and federally driven economic stimulation following the September 11th terrorist attacks. In 1993, the Federal Reserve Bank of Boston released a report recommending a "series of measures to better serve low-income and minority households."[38] As part of its recommendations, the Federal Reserve urged lenders to "loosen . . . income thresholds" for issuing mortgages with the goal of promoting "affordable" housing.[39] Fol-

33. BRINK LINDSEY & STEVEN M. TELES, THE CAPTURED ECONOMY: HOW THE POWERFUL ENRICH THEMSELVES, SLOW DOWN GROWTH, AND INCREASE INEQUALITY 8 (2017).

34. *Id.*

35. *Id.*

36. RAWORTH, *supra* note 24, at 146.

37. RAWORTH, *supra* note 24, at 146.

38. Michael Flynn, *Anatomy of a Breakdown*, REASON (Jan. 2009), https://reason.com/2008/12/03/anatomy-of-a-breakdown/.

39. *Id.*

lowing the lowering of interest rates after September 11th, banks felt encouraged to find alternative investments that yielded more lucrative returns—enter subprime mortgages. The loosening of income thresholds for loans, coupled with the desire to find new forms of investments, led banks to create mortgage-backed securities, consisting of supposedly "safe" investments, that yielded large returns.[40]

Although the Federal Reserve had an admirable goal of creating affordable housing, the policy's actual execution stripped Black America of wealth building opportunities and buried them in a debt-ridden lifecycle. The push to increase housing availability for low-income Americans led banks to distribute loans consisting of unreasonable terms that households would struggle to pay, even in the best of housing markets. The "safe" investments turned toxic. As the 2008 financial crisis showed, banks often targeted Black Americans with these subprime loans. And even after America slowly recovered from the Great Recession, Black Americans found themselves, yet again, worse off than Whites. The supposedly "safe" investments did not lose their security because they were given to those more prone to defaulting, though to be sure, there were parties that fell into this camp. Instead, banks undermined their safety by issuing loan terms that were unrealistic, even for those with reasonable incomes.

Even the government knew the loans posed great risk. In 2000, the U.S. Department of Housing and Urban Development (HUD) released a report entitled *Unequal Burden: Income & Racial Disparities in Subprime Lending in America*.[41] The report highlighted the "rapid growth of subprime lending during the 1990's" with a disproportionate amount of this lending occurring in "the nation's minority and low-income neighborhoods."[42] As HUD's report notes, subprime loans, the culprit behind the 2008 financial crash, "are three times more likely in low-income neighborhoods than in high-income neighborhoods" and "five times more likely in Black neighborhoods than in White neighborhoods."[43] When it came to refinancing, only one-tenth of White mortgages fell into the subprime category—or financing that is oftentimes associated with paying higher fees and interest rates—while "five in ten families in African-American communities" were saddled with subprime mortgages.[44] Eight years after HUD's frightening report, the mortgage market crashed, and banks dealt Black American wealth a near-death blow.

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40. *Id.*

41. U.S. DEP'T OF HOUS. AND URBAN DEV., UNEQUAL BURDEN: INCOME & RACIAL DISPARITIES IN SUBPRIME LENDING IN AMERICA (2000), https://www.huduser.gov/publications/pdf/unequal_full.pdf.

42. *Id.*

43. *Id.*

44. *Id.*

4. *A Bigger Fall and Even Slower Recovery*

As America continued to crawl back from the Great Recession, the ACLU released a report showing that Black Americans found themselves economically disadvantaged when compared to their White counterparts. As the economy inched its way out of the downturn, one thing became apparent: the wealthy elite's creation of mortgage-backed securities, aimed to buoy corporate profits in a time of low interest rates, created an even greater divide between White and Black households. By 2011, the percentage decrease of household wealth for White households effectively stopped, paving the way for a slow rebuild towards pre-recession wealth levels.[45] But the same can't be said for Black households. At that same point in time, "[B]lack households continued to experience severe declines" of household wealth, "losing 40 percent of wealth, excluding home equity."[46] This gross disparity is attributable to two main factors. First, by 2011, Black Americans held more of their household wealth in home equity.[47] Second, banks disproportionately exposed Black Americans "to predatory loans and other deceptive mortgage schemes."[48] Yet again, Black Americans felt the side-effects of ill-intentioned efforts, but this time it was the efforts of the corporate elite.

As White and Black Americans struggled through the greatest economic downturn in nearly 100 years—largely due to the greediness of certain wealthy elites—those same elites were being bailed out by government funds. While the government frantically sought to provide relief to the nation, the aim of the relief was largely misguided.

Instead of taking a dignity-oriented approach that would aid individual Americans, the government succumbed to corporate pressure and bailed out the banks instead. Of the $475 billion allocated for the bailout, much of the government funding went to large banks to account for significant losses attributed to their bad investments.[49] As the government saved the banks, it imposed penalty fees for home loans in disproportionately affected housing markets, making recovery nearly impossible.[50] Although the 2008 financial collapse is often attributed to greedy decision-making, those decisionmakers largely went unpunished. Instead, Black Americans faced a one-two punch. First, banks strapped them with loans consisting of unfeasi-

45. Sarah Burd-Sharps & Rebecca Rasch, Impact of the US Housing Crisis on the Racial Wealth Gap Across Generations, Soc. Sci. Rsch. Council 10 (June 2015), https://www.aclu.org/sites/default/files/field_document/discrimlend_final.pdf.

46. *Id.*

47. *Id.* at 13.

48. *Id.*

49. James H. Carr, *Why Recovery from the Great Recession Favored the Wealthy: The Role of Public Policy*, NonProfit Q. (Mar. 25, 2020), https://nonprofitquarterly.org/why-recovery-from-the-great-recession-favored-the-wealthy-the-role-of-public-policy/.

50. *See id.*

ble repayment terms. Second, the government left Black Americans by the wayside as it saved the corporate elite.

All this goes to show that something must change. Government solutions prove, time after time, to be problematic while corporations are too often driven to solely focus on shareholder gain. The efforts from both groups created and perpetuated the racial wealth gap. As a result, Black Americans, suffering from the effects of the GI Bill, racialized loan practices, and a wealthy elite grasping to their place atop America's economy, face a seemingly insurmountable task to achieve wealth equality. But while hope seems dim, a dignity-oriented approach, spearheaded by government action and a conscious shift of a corporation's role in the economy, could help achieve the long-desired goal of racial wealth equality.

III. Focusing on Dignity: An Equality-Centered Approach to Alleviate Disparities

In *Economic Diginity*, Gene Sperling emphasizes that "any economic metric that cannot tell us whether the great majority of people are seeing their lives enhanced cannot be a rational or humane end goal for economic policy."[51] As can be seen from a nearly eighty-year focus on GDP, America continues to pursue an irrational end goal. The result is a decades-long economic policy that created gross inequities in wealth among the elite, middle and lower class, and even greater inequities between White and Black Americans. To counter this, Sperling advocates for an economic policy "by the people, of the people, and for the people."[52] A policy focusing on people de-emphasizes the macro view and instead reorients decision-making to incorporate human-level considerations.

Instead of thinking about GDP, Sperling advocates for decision-making that measures success as

> how well [individuals] [are] able to care for their families; provide opportunity for their children; enjoy the best moments of family life; feel proud of their work; and enjoy camaraderie, autonomy, and respect in their jobs; and whether or not they had a fair shot to pursue their sense of ambition or purpose.[53]

By incorporating humanity into lawmaking and economic policy, the end goal becomes more rational; it looks to every individual and ensures that they are treated fairly, compensated appropriately, and given every opportunity to succeed, regardless of their skin color.

A dignity-centered approach is multi-faceted, and covering every aspect of how the approach could help alleviate the racial wealth gap would be a lengthy endeavor. Instead, the remainder of this paper will focus on

51. Sperling, *supra* note 6, at 3.
52. Sperling, *supra* note 6, at 3.
53. Sperling, *supra* note 6, at 3.

two aspects of this new approach. First, this paper discusses how to shift power from the employer to employees. This can be done with a renewed emphasis on alternate corporate structures such as employee and public-ownership models. Second, this paper discusses government initiatives that can support these new ownership structures, whether it be by state-level initiatives or federal lawmaking. Both approaches forcibly take power away from the corporate elite and place it back into the hands of Black Americans, giving them the opportunity to influence decision-making. In America's current capital economy, corporations and the government continue to fail most of the country. Yet, they are both essential to redefining the American dream as one that elevates all humans to the forefront.

A. *Alternative Corporate Structures: A Preview to a More Democratic Model*

The idea of shareholder primacy became in vogue as America turned to a capital-focused economy in the twentieth century. This approach set aside employee benefits and concerns, "entrench[ing] a culture of shareholder primacy, with the belief that a company's primary obligation is to maximise returns for those who own its shares."[54] Instead of being treated as humans, employees became "a production cost to be minimised, an input to be hired and fired as profitability requires."[55] A more democratic—and dignity—focused model of corporate ownership seeks to change the prevailing view of shareholder primacy and instead focus on stakeholders, including the employees that come to work and contribute on a daily basis. A stakeholder focus, coupled with dignity-oriented analysis, allows corporations to take a broader look at the impacts of their decision-making, potentially leading to widespread community benefits. A more prosperous community, with happier and healthier employees and citizens, can contribute to overall corporate success. Further, this focus enables a redirect of corporate action towards tackling unequal wealth distribution, an important step towards lessening the racial wealth gap.

Multiple approaches have been proposed to address the issue of shareholder primacy. Some of these options, including worker-owned enterprises (WOEs), public ownership models, along with broader corporate changes, will be discussed below.

B. *Worker-Owned Enterprises*

WOEs shift the decision-making authority of corporations from boards of directors who are elected by shareholders to the workers themselves. This shift empowers employee-centric decision-making and refocuses the economy towards economic democracy by locating decision-making "first

54. RAWORTH, *supra* note 24, at 160.
55. RAWORTH, *supra* note 24, at 160.

and foremost inside the enterprises producing the goods."[56] WOEs are inherently human-focused, and the impact of economic democracy on the racial wealth gap could be monumental. For Black Americans, working in WOEs enables them to have a direct say in corporate decision-making, ensuring they are no longer left behind by corporate actions.

Richard Wolff, a leading proponent of worker-centric enterprises, summarizes the goal of the WOE initiative as creating an

> economy that is comprised of enterprises (offices, factories, farms, and stores) in which the employees democratically perform the following key enterprise activities:
>
> (a) divide all the labors to be performed,
>
> (b) determine what is to be produced, how it is to be produced, and where it is to be produced, and
>
> (c) decide on the use and distribution of the output or revenues (if output is monetized) therefrom.[57]

While WOEs are often owned solely by the employees themselves, government, communities, or local organizations could be key stakeholders under the ownership model.[58]

By virtue of being worker-owned, WOEs can flip the priorities of key decisionmakers compared to today's dominant shareholder model. Decision-making moves from being macro-level and profit focused, as in most traditional corporations, to micro-level and human focused. Instead of major owners and top-level executives making decisions that are best for shareholders—a core attribute of today's unequal society—local workers make the decision on how to distribute net earnings.[59]

This local-level decision-making has massive ramifications; most importantly, the human impact of decisions remains front and center. WOEs determine the range of wages and salaries depending on the enterprise task. A common consensus can lead to more equal wage distribution.[60] Further, different priorities within the community will factor into decision-making. If decisionmakers conclude that investment in the business is needed, WOEs direct revenues inward. If the local community requires funding, the WOE can choose to disburse revenues accordingly. Community, not just within the WOE but surrounding it as well, becomes a key driver of decisions. As Wolff notes, "[h]ealth, wealth, and solidarity are then all considerations and criteria that will govern such conjoint decision making, alongside but not subordinate to enterprise profitability."[61] A greater prevalence of

56. Richard D. Wolff, *Start with Worker Self-Directed Enterprises*, Next Sys. Project (2017), https://thenextsystem.org/sites/default/files/2017-08/RickWolff.pdf.

57. *Id.* at 4.

58. *See id.* at 6.

59. *See id.* at 10.

60. *See id.*

61. *Id.* at 11.

WOEs in primarily Black neighborhoods, where Black Americans historically have little to no say in corporate actions that impact their community, could shift the power structure immensely. With more power, Black Americans could redirect decision-making to address their community needs.

WOE use across the globe showcases this community focus, and the benefits derived from it. Mondragón Corporation, the largest worker co-op in the world, accounts for 3.7% of Spain's economy and employs upwards of 74,000 workers. The co-op's structure highlights the equality in worker-owned enterprises: top executive pay is capped at six times the lowest wage compared to the average multiple of 320 times the average wage for American CEOs.[62] Additionally, most workers make double the country's minimum wage, receive private health care benefits, and are included in the corporation's profit-sharing and pension plans.[63]

Mondragón also showcased WOEs' resiliency in times of economic crisis. In 2008, Spain faced unemployment upwards of 26%, but Mondragón weathered the financial crisis; the co-op "apportioned the pain through wage cuts and advance payments on future hours," and its unemployment barely rose.[64] Mondragón showcased its flexibility throughout the COVID-19 pandemic. As parts production demand dropped nearly 25%, the co-op responded with 5% wage cuts across the board.[65] Employees made sacrifices to minimize the pandemic's effect; and nearly two years later, Mondragón is back to near-full capacity.[66]

The nimble nature of WOEs such as Mondragón could help alleviate what continues to be an uneven post-pandemic employment recovery. In 2021, even as the emergence of vaccines led to employment gains throughout the country, Black American unemployment remained higher than other racial groups.[67] If disproportionate employment numbers persist, Black Americans will continue to see the wealth gap widen between them and White Americans. But Mondragón's success showcases the potential benefits of increasing the number of WOEs in Black communities. If worker ownership models became more prevalent in Black communities, the gap in unemployment percentages, wage discrepancies, and decision-making would shrink, providing an opportunity to minimize America's racial wealth gap.

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62. Peter S. Goodman, *Co-ops in Spain's Basque Region Soften Capitalism's Rough Edges*, N.Y. TIMES (Dec. 29, 2020), https://www.nytimes.com/2020/12/29/business/cooperatives-basque-spain-economy.html.

63. *See id.*

64. *Id.*

65. *Id.*

66. *See id.*

67. *See* Bracey Harris, *The Nation's Economic Recovery is Still Unequal for Black Workers*, NBC NEWS (Oct. 4, 2021), https://www.nbcnews.com/news/us-news/black-workers-unemployment-unequal-pandemic-recovery-rcna2506.

WOEs have also prospered when being supported by government initiatives. In the late 1980s, Italy introduced the "Marcora Law" to help stymie the effects of the economic recession of the 1970s and 1980s.[68] The Marcora Law takes a unique approach to worker co-ops, providing employees an advance on unemployment benefits to help save floundering businesses.[69] The law seeks to reduce business closures, stimulate economic revivals, and foster entrepreneurialism.[70] As businesses teeter on the verge of failure, "the policy offers workers an array of financial support options and a 'right of first refusal' opportunity to purchase and re-launch the troubled business as a worker-cooperative."[71] The program benefits both the government and its citizens:

> Because workers trade small, periodic payments of their unemployment benefits for a lump sum advance of the same ultimate amount, the program incurs no additional costs to the state, and is able to produce significant sources of capital to fund worker-buyouts. This innovative mechanism not only helps reduce unemployment in the short term, but also generates sustainable, stable economic development for the long term.[72]

The project has been enormously successful thus far. By 2016, the Marcora Law saved upwards of "13,000 jobs and revived over 300 companies by facilitating their conversion into worker-owned cooperatives."[73]

Worker-owned firms haven't only prospered outside the United States. By the early 2000s, 11,000 Employee Stocked Ownership Plan (ESOP) companies (an alternative form of worker ownership) operated in the United States, with assets totaling over $400 billion.[74] For example, W.L. Gore, the maker of Gore-Tex apparel, operates without bosses or formal titles.[75] To ensure communication and innovation remains at the forefront, each W.L. Gore working site is limited to no more than two-hundred employees.[76] The company won numerous workplace awards and is consistently recognized for its innovative culture.[77]

In the United States, ESOP success created many benefits for its employee-owners. In a 1998 survey in Washington state, ESOP firms paid

68. Shannon Rieger, *Reducing Economic Inequality through Democratic Worker-Ownership*, THE CENTURY FOUND. (Aug. 10, 2016), https://tcf.org/content/report/reducing-economic-inequality-democratic-worker-ownership/?agreed=1.

69. *See id.*

70. *See id.*

71. *Id.*

72. *Id.*

73. *Id.*

74. GAR ALPEROVITZ, AMERICA BEYOND CAPITALISM: RECLAIMING OUR WEALTH, OUR LIBERTY, AND OUR DEMOCRACY 82 (2005).

75. *Id.* at 83.

76. *Id.*

77. *See The Gore Story*, W.L. GORE & ASSOCS., https://www.gore.com/about/the-gore-story#overview (last visited Aug. 11, 2022).

12% higher than comparable non-ESOP employers.[78] Additionally, ESOP worker-owners ended their careers with three times the retirement benefits of those with similar non-ESOP jobs.[79] ESOPs that are primarily owned by employees exhibit even greater success. Studies indicate that greater participation (a hallmark of worker-owned firms) leads to "greater productivity and thus greater competitiveness in the marketplace."[80] And the U.S. General Accounting Office confirms that "combining worker ownership with employee participation commonly produces greater productivity gains, in some cases over 50 percent."[81]

Worker ownership models provide a gateway to an alternative employment structure in today's capitalist economy, a welcome change after years of rising inequality. WOEs provide productivity benefits, vest greater decision-making in its key stakeholders, and lead to long-term wealth growth for its owners. Further, government supported worker co-ops present a unique opportunity to utilize state funds to reduce or eliminate uncertainty in times of global financial crises. The success of co-ops in both Italy and Spain, even amid the pandemic, showcase how their implementation throughout America could empower some of the Black communities most impacted by times of crises.

C. Public Ownership Models

In contrast to WOEs, public ownership encompasses a broad swath of enterprises, from "economically productive entities or business organizations owned by the state – such as mines, factories, banks and railroads" to "other entities or services owned and operated by the state, such as schools, universities, hospitals, roads, parks, and land."[82] Public ownership, as discussed below, encompasses organizations where the majority stake is owned by public institutions. Public ownership models provide more equitable employee to executive pay percentages, ensure equal treatment among employees, and for Black Americans in particular, pay better than similar private employers. These advantages make public ownership yet another tool to minimize the racial wealth gap.

Even in the United States' capitalism-driven economy, public ownership remains extremely common. Twenty-five percent of the nation's electricity is distributed through publicly owned utilities or consumer-owned cooperatives.[83] Municipalities that provide waterworks are oftentimes publicly owned, with 87% of the United States population served by these en-

78. ALPEROVITZ, *supra* note 74, at 84.
79. ALPEROVITZ, *supra* note 74, at 84.
80. ALPEROVITZ, *supra* note 74, at 87.
81. ALPEROVITZ, *supra* note 74, at 87.
82. THOMAS M. HANNA, OUR COMMON WEALTH: THE RETURN OF PUBLIC OWNERSHIP IN THE UNITED STATES 5–6 (2018).
83. *Id.* at 16.

terprises.[84] Additionally, airports, banks, and the postal service are all examples of state and/or federally owned entities.

These types of public ownership models provide unique advantages to their private counterparts. History shows that, by virtue of being state or federally run, employment becomes more equitable. A 2012 report by the Economic Policy Institute showed that "[i]n 2011, women accounted for 59.5 percent of employment in state and local public sectors, compared to 46.7 percent in the private sector."[85] For Black Americans, those numbers stood at 12.8% and 10.3%, respectively, compared to 10.9% of total employment.[86]

Further, workers are better represented in publicly owned enterprises. Unionization numbers differ drastically between private and public workers. A mere 6.4% of private workers are unionized compared to 34.4% of public workers.[87] This has broad economic implications. In the public sector, union workers earn upwards of $151 per week more than non-unionized workers.[88] A 2013 study showed that across the entire economy, "unionized workers made between $3.55 and $4.26 more per hour than their non-unionized counterparts."[89]

Public ownership leads to more equal compensation differentials between top executives and the average wage earners. In 2016, the CEO of Tennessee Valley Authority (TVA), the largest publicly owned power company in the country, made $6.45 million compared to TVA revenues of $10.6 billion.[90] These revenues are similar to those of private energy companies including Xcel Energy, Sempra Energy, and PPL, yet those companies' CEOs compensation stood at $11.5 million, $18.8 million, and $15.5 million, respectively.[91] To be sure, TVA's CEO still makes significantly more than the average wage earner, but the pay ratio is considerably lower compared to its private counterparts.

Alternative public investment efforts prove to be effective at creating wealth for citizens, as well. In Alaska, the Alaska Permanent Fund, a constitutionally established operation, directs a significant portion of revenues from oil development to a fund dedicated to citizen efforts.[92] Earnings are used to increase the fund's principal, offset inflation for long-run returns, and return dividends to its citizens.[93] In 2000, as Alaska's constitution man-

84. *Id.* at 18.
85. *Id.* at 57.
86. *Id.*
87. *Id.* at 56.
88. *Id.*
89. *Id.* at 55.
90. *Id.* at 54.
91. *Id.*
92. Alperovitz, *supra* note 74, at 117.
93. Alperovitz, *supra* note 74, at 117.

dates, each citizen received dividend payouts ranging from $2,000 per individual to up to $10,000 for a family with 3 children.[94]

Public ownership provides a unique opportunity to counteract the private sector's growing racial inequality. From more equal opportunities to stronger workers' rights and more equal pay, public ownership presents yet another option to minimize the racial wealth gap. Additionally, Alaska's unique permanent fund setup showcases a way for states to give back to citizens based on revenue-generating, state-run projects. WOEs and public ownership will not provide the resolution to all the nation's income inequality troubles. But collectively, they provide a solution to ensure ownership options are given back to workers and equal opportunity is given to those who have been historically disadvantaged.

Today's corporate and government framework, however, presents headwinds to enacting change. From funding gaps to legal and tax implications that push employers to typical corporate structures, roadblocks remain. To gain traction, governments must both incentivize WOE creation and provide funding opportunities for both WOE and public ownership options. The next section will address some tools to do so.

IV. Changing Corporate Priorities

Corporations' focus on profit-maximization and shareholder-value creation can be traced back to the early nineteenth century.[95] From there, the emphasis on private gain found its foothold through a series of debates in 1932,[96] and later in the twentieth century, through free-market advocates such as Milton Friedman.[97] The shareholder wealth maximization view firmly entrenched itself in the 1980s as boardrooms, management suites, financial theory, and law school teaching emphasized the approach.[98] When the Business Roundtable, a prominent business association consisting of some of the nation's most powerful CEOs, advocated the approach in 1997, little debate was left over a corporation's purpose: to make money for its shareholders.[99]

Society's refocus of a corporation's purpose to pure shareholder maximization contributed to the ever-growing racial wealth gap in America. To

94. Alperovitz, *supra* note 74, at 117.

95. *See* Lyman Johnson, *Law and Legal Theory in the History of Corporate Responsibility: Corporate Personhood*, 35 Seattle U. L. Rev. 1135, 1144 (2012).

96. *See* Lyman Johnson, *Why Corporate Purpose Will Always Matter*, 17 U. St. Thomas L.J. 862, 864 (2022).

97. *See id.*

98. *See id.* at 865.

99. Today's Business Roundtable Board of Directors includes the likes of Doug McMillon, CEO of Walmart; Tim Cook, CEO of Apple; Jamie Dimon, CEO of JPMorgan Chase; Corie Barry, CEO of Best Buy; and many more prominent business executives. *See id.* at 864; *see also Members*, Bus. Roundtable, https://www.businessroundtable.org/about-us/members (last visited Oct. 9, 2022).

enact true change and shift corporations' focus to fulfilling a dignity-centric purpose, stakeholders, both internal and external, must be considered in the decision-making process. Only then will society begin to close the racial wealth gap.

A. A Corporation's Evolving Purpose

Shareholder maximization hasn't always dominated the nation's thinking. Before the nineteenth century, corporations were often tasked with carrying out public-serving functions.[100] While not inherently required, the public-oriented approach reflected a view that chartered corporations (the precursor to the general incorporation statutes that are prominent today) should act in ways consistent with public welfare.[101] Early state case law showcases the importance of public service. In 1809, the Supreme Court of Appeals of Virginia highlighted the importance of a business's public function when deciding whether to grant an insurance company a state charter:

> They ought never to be passed, but in consideration of services to be rendered to the public . . . . It may be often *convenient* for a set of associated individuals, to have the privileges of a corporation bestowed upon them; but if their object is merely *private* or selfish; if it is detrimental to, or not promotive of, the public good, they have no adequate claim upon the legislature for the privilege.[102]

Ensuring a corporation's purpose of promoting the public good, however, quickly fell out of favor, and general incorporation, without any public service condition to obtaining corporate status, became the norm.[103]

Now is the time, however, to reemphasize the long-forgotten view that corporations can and should exist to promote the public good. Only by doing this will the growing racial wealth gap start to swing in the opposite direction towards a society where race no longer predetermines your wealth status. In 2019, the Business Roundtable shifted their view of a corporation's purpose from being shareholder focused to reflecting "a fundamental commitment to all of our stakeholders."[104] With this approach, corporations can consider the interests of employees, communities, suppliers, customers, and the environment, on equal footing with shareholders.[105] But this policy statement is not enough. If the leaders of some of the world's largest companies are addressing the need for change, the government should follow suit. States' corporation laws grant businesses the privilege of incorporation. Notably, the privilege of incorporation "exists solely due to laws

100. *See* Johnson, *supra* note 95, at 1144.
101. *See* Johnson, *supra* note 95, at 1145.
102. Currie's Adm'rs v. Mut. Assurance Soc'y, 14 Va. (4 Hen. & M.) 315, 347–48 (1809).
103. *See* Johnson, *supra* note 95, at 1146.
104. SPERLING, supra note 6, at 119.
105. *See* SPERLING, supra note 6, at 119.

passed by democratic legislatures."[106] Accordingly, it is in the hands legislatures to reprioritize the purpose of businesses when granting them legal status within its state.

B. *Using Benefit Corporations as a Guidepost*

If America is to focus on economic dignity for all, it must promote corporation functions that focus on alternatives to shareholder wealth maximization. State-led initiatives allowing the creation of Benefit Corporations (B Corps) showcase one small step toward alternative corporate structures. B Corps are created with a broader purpose than solely enriching its shareholders. This non-shareholder emphasis often faces pushback, as critics point out that the purpose for shareholder maximization was to fix conflict of interest problems where "corporate managers choos[e] to pursue their own perks, preferences, power, and glory."[107] Critics of a shift away from shareholder-centric models portray a "Wild West of corporate directors" running roughshod and rogue in their pursuit of "any personal pet cause or extravagant glorification without restraint."[108]

The real-world application of B Corp legislation, however, shows this chaos theory is pure conjecture. Since 2010, forty states have passed legislation allowing the creation of a B Corp, recognizing the benefit of the new corporate approach.[109] Instead of a focus on sheer shareholder wealth maximization, a B Corp is socially minded with a purpose of benefiting society. In California, a B Corp has a "legally binding fiduciary responsibility to take into account the interests of workers, the community and the environment as well as its shareholders."[110] As worker rights and environmental concerns move to the forefront, consumers and employees are making a push to have alternative corporate structures that address these concerns. States are heeding this call and passing B Corp legislation to enable a stakeholder-centric business model that contrasts with the centuries-old shareholder maximization model.

C. *The Future of Work*

The widespread adoption of B Corps provides a model for change. While B Corps offer one step towards economic dignity, they alone do not address the widespread problem of racial wealth inequality. Instead, governments must use the momentum from B Corp legislation to enact more widespread change that focuses on a concerted effort to uplift Black Americans.

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106. SPERLING, *supra* note 6, at 119.
107. SPERLING, *supra* note 6, at 120.
108. SPERLING, *supra* note 6, at 121.
109. *Social Enterprise Law Tracker*, GRUNIN CTR. FOR L. & SOC. ENTREPRENEURSHIP, https://socentlawtracker.org/#/bcorps (last visited November 7, 2022).
110. *B Lab*, PATAGONIA, https://www.patagonia.com/b-lab.html (last visited Feb. 5, 2022).

Passing legislation that promotes the creation of WOEs and other public ownership models enables business ownership that can lead to profound long-term change. This is especially important for Black Americans who, as noted earlier, have historically been deprived of ownership opportunities. In her article *Inspiring and Equipping the Next Generation of Lawyer-Leaders: Center on Race, Leadership, and Social Justice*, Dr. Artika Tyner highlights that "Black business owners tend to be wealthier than Blacks who do not own businesses."[111] The median net worth of Black business owners is twelve times higher than those who do not own businesses, and the rate at which they build wealth is faster.[112] Coupling ownership opportunities with the community and employee-centered approach that WOEs provide enables often downtrodden Black communities to have the economic opportunity they've been deprived of.

Further, the advancement of public ownership legislation both locally and federally will lead to widespread gains for Black Americans. Public ownership provides better opportunity for equitable employment, ensures workers' rights, and holds entities better accountable for adherence to non-discriminatory business tactics. Public ownership also lessens the wage gap that is persistent throughout much of corporate America.

D. *Inheritance Tax*

Certainly, passing legislation that focuses on increasing utilization of WOEs and public ownership is an admirable start. Yet too much of a wealth gap exists between Black and White Americans to rely on legislation alone. To facilitate a redistribution of wealth, funds should be directed towards WOE and public ownership initiatives. Although many options exist to fund the proposed initiatives, one option in particular addresses the centuries-long harm perpetuated against Black Americans by the government and corporations: a tax on a deceased's estate or those inheriting from the deceased's estate.

Skepticism around estate and inheritance taxes led to their near non-existence in the twenty-first century. But in the early twentieth century, there seemed to be broader support. For example, in 1910, Theodore Roosevelt lobbied for a tax on fortunes, noting:

> The really big fortune, the swollen fortune, by the mere fact of its size acquires qualities which differentiate it in kind as well as in degree from what is possessed by relatively small means. Therefore, I believe in a graduated income tax on big fortunes, and in another tax which is far more easily collected and far more effective – a graduated inheritance tax on big fortunes, properly

111. Artika Tyner & Tisidra Jones, *Inspiring and Equipping the Next Generation of Lawyer-Leaders: Center on Race, Leadership, and Social Justice*, 17 U. St. Thomas L.J. 1079, 1094 (2022).

112. *Id.*

> safeguarded against evasion, and increasing rapidly in amount with the size of the estate.[113]

In 1916, Congress created an estate tax that, instead of taxing beneficiaries upon someone's death, taxed an estate upon the decedent's death. But as years passed, the "proper safeguards" Teddy Roosevelt advocated for fell by the wayside. After a series of exemptions and government-enacted rate cuts, only 0.2% of Americans pay inheritance taxes.[114] As economic growth slows and capital growth remains relatively high, a weakened estate tax threatens to only exacerbate the racial wealth gap.[115]

Strengthening the estate tax, or creating a federal or state inheritance tax, provides a funding option for worker-centric initiatives. Instead of lump payments directed towards disadvantaged families, tax funds could be coupled with WOE and public ownership legislation to foster long-term wealth building. Thomas Hanna advocates for this approach in *Our Common Wealth*, where he proposes that funds from an inheritance tax could be "collected into a publicly owned fund or series of funds based regionally or locally that would make investments (including equity stakes) in business and other assets."[116] A crude model would see inheritance tax funds funnel to local government. These governments could then distribute the funds in two broad ways: first, by allocating funds to support Black ownership in WOEs, and second, by investing in publicly owned corporations that can provide employment to historically disadvantaged Black Americans. A targeted redistribution effort using an inheritance tax not only lessens the wealth gap between White and Black Americans but fosters an environment that encourages long-term wealth building in the process.

V. Conclusion: Seizing the Opportunity for Economic Dignity

Gene Sperling premises his idea of economic dignity on a three-pillar model. It includes the following:

> 1) The economic capacity to care for family while not being deprived of fully experiencing the moments, joys, and roles that humans most value;
>
> 2) Being able to pursue purpose and potential—to have true first and second chances in your economic life to contribute and find meaning and to never feel given up on; and
>
> 3) To be able to work and participate in the economy—to work, care for family, and pursue potential—with respect and not with abuse, domination, or humiliation.[117]

113. Hanna, *supra* note 82, at 58.
114. Hanna, *supra* note 82, at 58.
115. *See* Hanna, *supra* note 82, at 58.
116. Hanna, *supra* note 82, at 59.
117. Sperling, *supra* note 6, at xvi.

These "integral and irreplaceable" pillars should define future economic policy versus the outdated and ill-suited focus on GDP.[118] While Sperling advocates these pillars for all Americans, Black Americans especially have been deprived of economic dignity. From ill-conceived and racially driven government policies to corporate decision-making that seeks to suppress Black progress and cement wealth in the hands of the few, Black Americans continue to be stripped of equal opportunity in the United States. Now is a time for change. A legislative focus on empowering workers through WOEs and public ownership models will break down barriers for Black Americans. And a concerted effort to reapportion tax dollars to the Black population can push individuals into business ownership and give them opportunities to build wealth, all with the end goal of narrowing, and eventually eliminating, the racial wealth gap. One thing is for certain, the two entities that drove the wealth gap—government and corporations—hold the keys to affect change; now is their chance to change the narrative and secure a dignity-filled future for all.

118. SPERLING, *supra* note 6, at xvi.