A NATION BUILT ON THE BACK OF SLAVERY AND RACISM

1. Slavery launched modern capitalism and turned the U.S. into the wealthiest country in the world.

Slave-harvested cotton dominated the 19th-century international market.

- U.S. COTTON PRODUCTION
  - Pre-Civil War: 2.5 billion pounds
  - Cold War: 1.5 billion pounds

At the outbreak of the Civil War, the market value of slaves in the U.S. exceeded that of banks, factories, and railroads combined.

- Slaves' worth: $3 billion
  - 48% of total wealth of the South in 1860
- Currency in circulation: $450 million

Cotton built New York City into a commercial and financial center.

- New York’s share of all cotton revenue: 33% in 1865, 59% in 1867, 64% in 1869

2. Emancipation did not bring economic freedom to former slaves.

Vagrancy laws allowed police to sweep up black men and then rent them out as convict labor.

- Black convicts in Nashville, Tennessee’s main prison: 33% in 1866, 59% in 1867, 64% in 1869

Emancipation did not provide former slaves with the tools needed to build wealth.

- Discriminatory business policies kept white people economically ahead.
- Black Codes were enacted to limit black economic opportunities.
- Southern merchants used unfair credit to impede black wealth building.
- Interest rates charged by merchants: 1883–1889: 44%–74%

3. Discriminatory policies then kept African Americans from receiving help other citizens received.

Social safety nets have missed African Americans.

- Social Security originally excluded domestic and agricultural workers—mostly African Americans, especially in the South.
- Ineligible for Social Security in 1935: 27% Whites, 65% Blacks
- Black in the South: 79.8%

Discriminatory policies contributed to the decline of black farmers.

- By 1890, only 1.5 percent of farmers were black, and the USDA’s Civil Rights Office—which investigated loan program discrimination complaints—was closed.
- Farmland owned by African Americans: 15 million acres in 1865, 3.1 million acres in 1982

Money meant for distressed homeowners supported segregation.

- The Home Owners’ Loan Corporation (HOLC) was created and helped more than 1 million homeowners.
- The HOLC was the origin of “redlining” maps.
- By 1982, only 1.5 percent of farmers were black, and 100 percent of farmers were White.

4. The result: African Americans have not been able to get a foothold in the economy.

The income gap has not budged since 1970.

- Median household income in 2023: $68,000 Whites, $35,000 Blacks
- Homes owned by African Americans: 1.0% in 1990, a full 125 years after Emancipation

African Americans have barely any of the nation’s wealth, and therefore little to pass down to future generations.

- Economists estimate that up to 80 percent of lifetime wealth accumulation depends on intergenerational transfers.
- National wealth owned by African Americans: 0.5% in 1865, just after Emancipation

Can we calculate the economic damages?

- Estimates range from $15 trillion to $24 trillion.
- Martin Luther King Jr. calculated that making good on the promise of 40 acres and a mule ($20 a week since the late 1700s for 4 million slaves) would total $800 billion.*
- “They owe us a lot of money.”

Source citations at yesmagazine.org/JTF74

HC: infographics by Jeff Neumann and Tracy Loeffelholz Dunn.
Research by Heidi Bruce and Clo Copass. Images from Library of Congress.

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The nation paid reparations to slave holders—not to slaves.

- No 40 ACRES AND A MULE
  - President Andrew Johnson overturned Gen. Sherman’s famous promise, which would have redistributed roughly 400,000 acres to newly freed black families.

- $300 PER FREED SLAVE
  - On April 16, 1865, President Abraham Lincoln signed a bill ending slavery in the District of Columbia, providing for compensation to former owners.

Social security originally excluded domestic and agricultural workers—mostly African Americans, especially in the South.

- Ineligible for social security in 1935: 27% Whites, 65% Blacks
- 40% of total wealth of the South in 1860

Vagrancy laws allowed police to sweep up black men and then rent them out as convict labor.

- Following the war, convict leasing programs shifted the Southern prison populations to predominantly black.

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