

Economist proposes US slavery reparations up to \$12TN

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A prominent economist has laid out the case for reparations for the black descendants of slaves in the U.S., estimating payments of up to \$12 trillion would be needed to atone for the historical injustice.

Duke University professor William Darity Jr and his wife Kirsten Mullen co-authored the report for the Roosevelt Institute arguing that the U.S. government should pay ‘systemic reparations’ for slavery.

It comes amid fresh calls for reparations, with 142 members of Congress backing a bill to study and put forward reparations proposals, and Democratic presidential candidate Joe Biden voicing support for the idea.

In his report, Darity argues that reparations should be designed to eliminate the gap in mean net worth between black and white households, arriving at a figure of about \$800,000 per black household as sufficient.

The bold proposal is not without its skeptics, however, as fiscal conservatives question whether the federal government could shoulder the cost, which amounts to roughly half of annual U.S. gross domestic product.

In fiscal 2019, the government spent \$4.4 trillion, amounting to 21 percent of the nation’s \$21 trillion GDP, with about \$1 trillion of that federal spending adding to the national debt.

‘Our national debt is already now up to around \$26-27 trillion given the money we’re spending on Covid,’ Michael Tanner, senior fellow at the Cato Institute, told CNBC.

‘And we’re losing more money because we’re not picking up the revenue because economic growth is so slow right now. This hardly seems the time to burden the economy with more debt, more taxes. Essentially what you want to do is stimulate economic growth for all our benefits,’ he added of reparations proposals.

Darity, however, argues that reparations for slavery are not only feasible, but necessary.

The Samuel DuBois Cook distinguished professor of public policy at Duke’s Sanford School of Public Policy, Darity has devoted much of his career to studying the rationale and design of reparations.

In his new report, adapted from his book *From Here to Equality: Reparations for Black Americans in the Twenty-First Century*, he argues that only financial payments made by the government to the descendants of slaves can provide acknowledgement, redress and closure for the crime of slavery.

Though he does not provide a specific timeline for the payments, Darity argues any reparations program should be accomplished within a decade of commencing.

Darity writes that eligibility for payments should be restricted to living descendants of people who were enslaved in the U.S. prior to the Civil War, who identified as black or African American on government documents for at least 12 years prior to the reparations program.

‘This community’s claim for restitution anchors on the US government’s failure to deliver the promised 40-acre land grants to their newly emancipated ancestors in the aftermath of the Civil War,’ he writes.

‘That failure laid the foundation for the enormous contemporary gap in wealth between black and white people in the US,’ he continues.

Darity argues that it is key to prioritize the average wealth gap between black and white households, rather than the gap between median figures that is more typically discussed.

The median figures more typically represent the average household, while the average number is heavily skewed by the ultra-wealthy.

For instance, the median white household net worth is \$171,000, while the average white household net worth, skewed by billionaires, is \$929,800.

The average black household net worth is \$138,000, and Darity estimates that payments of \$800,000 would eliminate the ‘the black-white (pre-tax) wealth differential.’

‘We estimate that this will require an allocation between \$10 and \$12 trillion to eligible black Americans. That allocation should serve as the baseline for black reparations in the twenty-first century,’ he writes.

The idea of reparations for slavery remains politically unpopular – though Darity argues that prior programs of reparations have been accomplished despite being opposed by the majority of voters.

In June, an ABC News/Ipsos poll found 73 percent of people think the federal government should not ‘pay money to black Americans whose ancestors were slaves as compensations for that slavery’.

Only about one in eight white Americans support reparations compared to three-quarters of African Americans.

Democrats are split on reparations, with 54 percent in favor and 45 percent opposed. The vast majority of Republicans oppose the move at 94 percent, and 82 percent of Independents were also opposed.