



## **Support for a program to pay reparations to descendants of slaves is gaining momentum, but could come with a \$12 trillion price tag**

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Reparations for slavery has been fiercely discussed in the United States since Union Army Gen. William Tecumseh Sherman promised 40 acres and a mule to 4 million freed slaves in 1865. While Americans don't generally support a reparations program paid by taxpayers, this summer's events have shifted the once overlooked topic into the national debate.

One hundred and forty-two members of Congress have co-sponsored H.R. 40, the Commission to Study and Develop Reparation Proposals for African-Americans Act, compared with only two in 2014. Even Joe Biden, the presumptive 2020 Democratic presidential nominee, has said he supports the study, representing a change on the issue.

William Darity, professor of public policy at Duke University, has studied the rationale and design of reparations for more than 30 years. He says, "the present moment seems to afford more of an opportunity to move forward than any moment I've experienced in my lifetime."

This spring, Darity and his wife, Kirsten Mullen, made the most comprehensive case for a reparations program in their latest book "From Here to Equality: Reparations for Black Americans in the Twenty-First Century." They argue a meaningful program to eliminate the existing Black-White wealth gap requires an allocation of between \$10 trillion and \$12 trillion, or about \$800,000 to each eligible Black household. But not everyone agrees that now is the time to pay reparations.

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

### **Baby bonds**

Proposals on cost, eligibility and the form in which payments are allocated vary greatly depending on study and author. Darrick Hamilton, a professor of public policy at Ohio State University, often speaks about "baby bonds," a form of trust accounts for all newly born children, as a powerful tool to complement reparations. These products, similar to children's

savings accounts, have been found to be especially impactful for low- and moderate-income children as it can foster a college-bound identity and to help pay for higher education, a home, or starting a business. According to one study, it can decrease the Black-White wealth disparity by more than 10 times. It is also much cheaper than reparations. Every year, about 4 million children are born. If every account was seeded by about \$25,000, the program could cost the government about \$100 billion.

“One hundred billion is about 2 percent of federal expenditures now. It is much less than we spend with our tax policy on subsidizing the assets of the wealthy,” says Hamilton. “We spend about \$500 billion on reductions in capital gains and mortgage interest reductions. So if one were to think about the cost of baby bonds, the scale of other asset expenditures, it pales in comparison.”

### **Local efforts**

Local efforts to fund reparations have started to develop. Recently, the city council of mostly White Asheville, North Carolina, voted to apologize for slavery and offer funding to help Black homeowners and businesses. Evanston, Illinois, made a similar move in 2019, using tax proceeds from recreational cannabis sales to fund the program.

Glenn Loury, professor of economics at Brown University, is an outspoken opponent of reparations for Black Americans. He says that “the real issue here are differences between the populations in the capacity to generate wealth. If you redistribute, you may have a short term impact, but in the long run, unless the differences in these populations, in their capacity to generate wealth, to start a business, to effectively take risks, to save and accumulate within their families, the underlying structure will push you back into a situation of inequality again.”

### **Public opinion**

While Americans are still far from supporting a reparations program, there’s been a modest shift in public opinion. In 2000 only 4% of Whites supported monetary compensation to descendants of enslaved people, according to the results of a survey of public opinion published in the journal *Du Bois Review*. This year, according to a Reuters poll, 1 in 10 Whites support such a program.

The U.S. is still far from a concrete compensation plan. But the recent events following George Floyd’s death and the coronavirus pandemic, which has disproportionately affected Black Americans, might change the conversation.