



UNTITLED, FROM THE SERIES "CAPITALISM IS KILLING US/BLACK UTOPIAS"
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Resurrecting the Promise of 40 Acres:

The Imperative of Reparations for Black Americans

by William Darity Jr. and A. Kirsten Mullen

Editors' Note: *This article is excerpted from Resurrecting the Promise of 40 Acres: The Imperative of Reparations for Black Americans (Roosevelt Institute, June 4, 2020), with permission.*

In the final chapter of our new book, *From Here to Equality: Reparations for Black Americans in the Twenty-First Century*,¹ we include the following epigraph from a quote by Malcolm X:

If you stick a knife in my back nine inches and pull it out six inches, that's not progress. If you pull it all the way out, that's not progress. The progress comes from healing the wound that the blow made. They haven't even begun to pull the knife out . . . they won't even admit the knife is there.²

In the context of an ongoing social injustice, “pulling the knife out” ends the harmful act. It is a desirable and essential step, but it is only an act of suspension. Insofar as it does not “heal the wound,” it is not an act of restitution, remediation;³ therefore, “pulling the knife out” is not reparations. Reparations require the culpable party to make amends for the harm inflicted on the victim, which demands remediation.

In *From Here to Equality*, we advance a general definition of reparations as a program of acknowledgment, redress, and closure. **Acknowledgment** constitutes the culpable party's admission of responsibility for the atrocity. Admission should include an enumeration of the damages inflicted upon the

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THE CASE WE MAKE FOR BLACK REPARATIONS IN THE UNITED STATES CENTERS ON THE PROVISION OF COMPENSATION FOR A SPECIFIC COMMUNITY THAT CONSISTS, TODAY, OF APPROXIMATELY 40 MILLION AMERICANS.

victims and the advantages appropriated by the culpable party. **Redress** constitutes the acts of restitution, steps taken to “heal the wound.” **Closure** constitutes an agreement by both the victims and the perpetrators that the account is settled. Representatives chosen by members of the aggrieved community can communicate with the culpable party to establish the point at which restitution is adequate for the debt to be paid.⁴ Thereafter, the victims will make no further claims for compensation, unless a new atrocity occurs or an old atrocity recurs.

ELIGIBILITY: BLACK AMERICAN DESCENDANTS OF PERSONS ENSLAVED IN THE UNITED STATES

The case we make for black reparations in the United States centers on the provision of compensation for a specific community that consists, today, of approximately 40 million Americans. In *From Here to Equality*, we advance two criteria for black reparations eligibility. First, an individual must establish that they have at least one ancestor who was enslaved in the US.⁵ Second, an individual must demonstrate that they have self-identified as black, negro, or African American on an official document—perhaps making public the self-report of their race on the US Census—for at least 12 years before the enactment of a reparations program or a study commission for reparations, whichever comes first.⁶ In short, the reparations plan we put forward designates black American descendants of US slavery as the target community.

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.⁷ That failure laid the foundation for the enormous contemporary gap in wealth between black and white people in the US. If the land allocation had been made to the freedmen and freedwomen, and had that ownership been protected, we speculate that there would be no need to consider the case for black reparations today.⁸

Though the government’s decision to deny black Americans this equity stake has led some contemporary pundits to refer to “slavery reparations,” the case we make does not center exclusively on the horrors of American chattel slavery. Instead, we argue that three historical phases of atrocities merit incorporation into the criteria for black reparations. First, of course, is slavery itself, the crucible that produced white supremacy in the US. Second is the near century-long epoch of legal segregation in America—or American apartheid—that we refer to colloquially as the “Jim Crow” era. Finally, there are the ongoing atrocities associated with the period following the Civil Rights Act of 1964: mass incarceration; police executions of unarmed black people; sustained credit, housing, and employment discrimination; and the immense black-white wealth disparity. Black American descendants of US slavery have borne and continue to bear the undue burden of the cumulative effects of all three of these phases of the nation’s trajectory of racial injustice.

CALCULATING WHAT IS OWED

We view the black-white wealth gap as a blight on the nation. While the 40 million eligible recipients of black reparations constitute about 13 percent of the American population, they possess less than 3 percent of the nation’s wealth. This translates into an average (or mean) differential, per household, of about \$800,000 in net worth.⁹

PRIORITIZING THE MEAN OF THE RACIAL WEALTH GAP

To eliminate the racial wealth gap in its entirety, it is essential that the *mean* gap be erased, rather than setting a far less ambitious goal such as closing the gap at the black-white *median* differential:

Although, the usual discussion of wealth gaps focuses on median differences because the median captures the typical condition for American households, targeting the median will leave the racial wealth gap largely untouched. The fact that 97 [percent] of white

FINANCIAL EXPERT JOHN TALBOTT HAS SUGGESTED COMPUTING A PRESENT VALUE PREDICATED UPON A 9 PERCENT INTEREST RATE, CONSISTENT WITH THE AVERAGE RETURN ON AN INVESTMENT IN THE US STOCK MARKET FROM 1870 TO 2020. THIS RESULTS IN AN ESTIMATED REPARATIONS BILL OF \$16.5 TRILLION.

wealth is held by households with a net worth above the white median (\$171,000) makes any policy that seeks to close the racial gap at the median a policy that discounts, overwhelmingly, the largest proportion of racial wealth inequality.¹⁰

Indeed, the magnitude of the black-white wealth gap that requires erasure should not be constrained by the fact that there is a highly unequal distribution of wealth among white Americans. In fact, there is a similarly highly unequal distribution of wealth among black people over a disproportionately, far smaller total.¹¹

Ultimately, a well-designed reparations program could have a powerful impact on producing greater wealth equality among black Americans. Consider the median-to-mean ratio.¹² Suppose all black households received an additional \$800,000 to make up for the mean deficit. As of 2016, the black median-to-mean ratio was \$17,600/\$138,000 or approximately 13 percent. If the black mean rises to the same level as the white mean through the provision of an additional \$800,000 to each black household, the intra-group black median-to-mean ratio would change dramatically to \$817,600/\$938,000, or approximately 87 percent.¹³

Eliminating the black-white (pre-tax) wealth differential should be a core objective of the redress component of a plan for reparations. We estimate that this will require an allocation of between \$10 and \$12 trillion in 2016 dollars to eligible black Americans. That allocation should serve as the *baseline* for black reparations in the twenty-first century.

THE COSTS OF SLAVERY

Another approach to calculating a formal bill entails measuring the costs of slavery to the immediate victims. As a basis for measuring the damages of slavery, some estimates have focused on what was, *de facto*, unpaid labor under the coercion of enslavement. Professor Thomas Craemer, however, has argued that slavery involved the theft of the full 24 hours of each day in the lives of the enslaved.

In today's dollars, he arrives at an estimate of \$14 trillion for the cost of American slavery to the enslaved.¹⁴

However, this may be an *underestimate* of the total costs, as Craemer's assessment does not account for the psychological trauma inflicted on the enslaved, nor does it account for the accelerated mortality and morbidity consequent upon the system. A potential justification for treating the \$14 trillion sum as transferrable to today's descendants of the victims of chattel slavery is the argument that there has been an intergenerational transmission of the harms, uninterrupted because of the neglect of the provision of the promised 40 acres.

THE PROMISE OF 40 ACRES

The 40-acre land grants themselves afford another route for calculating the size of a potential black reparations bill. The conventional interpretation has it that the promised allocations were to have gone to households comprised of those newly emancipated. If a typical household consisted of four persons, the allocation would have amounted to 10 acres per person. With four million emancipated persons at the close of the Civil War, the overall distribution of land to the formerly enslaved would have come to at least 40 million acres. With an average value of an acre of land set at \$10 in 1865,¹⁵ the overall value of the allocation would have been \$400 million. The present value compounded at a 6 percent interest rate (the average rate of return plus an inflation adjustment) amounts to \$3.1 trillion. Financial expert John Talbott has suggested computing a present value predicated upon a 9 percent interest rate, consistent with the average return on an investment in the US stock market from 1870 to 2020. **This results in an estimated reparations bill of \$16.5 trillion.**¹⁶

Though we are open-minded about a variety of strategies for *calculating* the size of social debt that is owed, our central argument here is that the elimination of the black-white wealth gap should provide the foundation for the magnitude of redress that this stark American racial injustice demands. After all, the racial wealth gap is the economic

SO, WHO SHOULD PAY THE BILL? IN *FROM HERE TO EQUALITY*, WE ARGUE THAT THE CULPABLE PARTY IS THE UNITED STATES GOVERNMENT.

measure that best captures the cumulative effects of the full trajectory of American white supremacy from slavery to the present.¹⁷ Given that the disparity began with the wealth that white people accumulated through extraction from enslaved black people, which grew exponentially with each generation, closing the gap requires *direct* redistribution.¹⁸

CULPABILITY: A MATTER OF NATIONAL RESPONSIBILITY

So, who should pay the bill? In *From Here to Equality*, we argue that the culpable party is the United States government. “Authority is constructed and contextual,” and all three phases of the atrocities cataloged here were products of the legal and authority framework established by the federal government.¹⁹ Often, the federal government further sanctioned racial atrocities by silence and inaction.

In turn, this means that local or piecemeal—little by little—attempts at racial atonement do not constitute reparations proper. In the past several years, many states, localities, and individual institutions have begun to consider “reparations.”

But these are insufficient for a several reasons. First, many of these “reparations” efforts do not involve restitution. Second, most states, localities, and individual institutions do not have the resources to repay on anything like the scale we are suggesting. Finally, and most importantly, black reparations are not a matter of personal or individual institutional guilt; black reparations are a matter of national responsibility.

In many instances, local initiatives labeled “reparations” are not that at all. Whether at the state or municipal level, many efforts frequently constitute acknowledgment, admitting that atrocities were committed. These measures are often followed by inadequate attempts at redress—the allocation of funds for research or the construction of memorials, for example—rather than substantial compensatory payments to black Americans. While

these scattered steps to take some type of action may begin to pull the knife out, they do not heal the wound produced by the harm; typically, they fail to provide any compensatory payment.

Even if they do afford a compensatory payment, a series of local initiatives is highly unlikely to match the minimum bill for black reparations. As noted above, this debt will require at least \$10 trillion to eliminate the black-white wealth disparity. Taken separately or collectively, there is no evidence that local “reparations” will come close to addressing the full scope of the measured harm or achieving an appropriate level of restitution.

[...]

LEARNING FROM OTHER CASES: PRECEDENTS FOR REPARATIONS

Valuable insights for how to best execute a national program of reparations can be gained from previous experiences with plans of restitution. Here, we focus on five precedents, two overseas (German reparations for victims of the Nazi Holocaust, and reparations in post-apartheid South Africa) and three in the US (Japanese American reparations after World War II, post-9/11 reparations for victims’ families, and post-Sandy Hook reparations after the 2012 school shooting).

These cases are disparate. The German, South African, and Japanese American cases are all instances of state actions against an ethnic, racial, or religious minority. The 9/11 and Sandy Hook cases stem from external crimes. Three groups—victims of the Holocaust, the 9/11 attacks, and Sandy Hook—received redistributive justice soon after the period of victimization. Reparations for Japanese American people required many years of debate around and pressure for payment and justice. The South African case is one in which the goal, as stated by the Truth and Reconciliation Commission, was insufficiently ambitious. *All of them* demonstrate how, in the aftermath of unfathomable incidents, people—both government officials as

LEADERSHIP FROM WITHIN THE COMMUNITIES MOST AFFECTED IS ESSENTIAL TO IGNITE ACTION AND ENSURE THAT RESTITUTION IS COMPREHENSIVE AND SUFFICIENT.

well as those leading private charitable efforts—attempt to come to terms with placing a value on and compensating for lost lives and lost livelihoods, ultimately reaching closure for all concerned.

Key lessons include:

- Leadership from within the communities most affected is essential to ignite action and ensure that restitution is comprehensive and sufficient;
- Movement pressure outside of the political system is effective when it is combined with consenting formal political leadership (e.g., prime ministers, members of Congress) and high-profile bipartisan or multi-party commissions;
- Political commissions must have the proper mandate, focused not on repayment for demonstrable individual atrocities but on the comprehensive costs of social systems of oppression;
- Significant payment and restitution can be achieved even when reparations are politically unpopular;
- An enumeration of contingencies must be made to ensure the payments are made under challenging circumstances;
- Work performed by a study commission for reparations must be completed in a timely manner, within a maximum horizon of 18 months;
- Financial goals of a reparations project should be met within a decade;
- Valuing human life and coming to agreement on “sufficient” payment is difficult, but, within limits, identical payments are ultimately preferable; and
- Financial outlays should be combined with educational, historical, and narrative efforts to ensure that the case for reparations is well understood in the public ethos.

[...]

PRECEDENTS FOR HR 40: LESSONS LEARNED

Some specific recommendations for an African American

reparations commission follow. [...] The Commission to Study and Develop Proposals for Reparations for African Americans, designated in HR 40, could perform such a function.

However, given the unique aspects of the black American case, HR 40 is not adequate in its current form and requires revision. Unlike the original text that uses 1619 as the starting point, we designate 1776 as the point of origin for the case for black reparations. The culpable party is the United States government, and it did not exist in 1619. While the current version of HR 40 distributes appointment of the commissioners between the executive and legislative branches and unspecified “grassroots organizations,” the commission should be appointed by Congress as well—since, ultimately, legislation for black reparations must be enacted by Congress.

The core charge for the commission must be providing Congress with a detailed template for legislation that will activate a comprehensive plan for black reparations. This will include specifying criteria for eligibility for black reparations consistent with the standards described at the start of this report and specifying precisely how the amount and deployment of a reparations fund will raise black net worth sufficiently to eliminate the (pre-tax) black-white wealth gap within a decade.

To mitigate conflicts of interest or any appearance of wrongdoing, the commissioners should not receive a salary, although they should receive reimbursement for reasonable expenses associated with the fulfillment of their responsibilities. Nor should any organization to which they belong receive any funds from the budget assigned to the commission. On the other hand, there must be a salaried professional staff of sufficient size and skill to support the commissioners’ efforts. Additionally, the commission should be directed to produce its report within 18 months of its inception.

And while closure is one of the imperatives of any reparations program, arriving at closure does not mean forgetting

WHILE CLOSURE IS ONE OF THE IMPERATIVES OF ANY REPARATIONS PROGRAM, ARRIVING AT CLOSURE DOES NOT MEAN FORGETTING THE RECORD OF ATROCITIES.



the record of atrocities.

Thus, a key dimension of a black reparations program must be the development and application of a rigorous and accurate curriculum, fully integrated into public school instruction across at least three generations at all grade levels, telling the story of America's racial history. Germany's efforts to maintain an authentic memory of the Holocaust is instructive and should serve as a model for this initiative.

To prepare its report, the commission must also hold public hearings and maintain a variety of mechanisms to ensure that eligible recipients' voices are heard, including having regional offices across the country. The commission should draw upon specialists in American history, economics, sociology, politics, psychology, medicine and public health, and law and litigation, particularly those who are knowledgeable about constitutional law. Ideally, the commissioners themselves will possess such expert knowledge. Notably, these appointees should be well-versed in the history of slavery and Jim Crow, employment discrimination, wealth inequality, health disparities, unequal educational opportunities, criminal justice and mass incarceration, media practices, political participation and exclusion, and housing inequities.

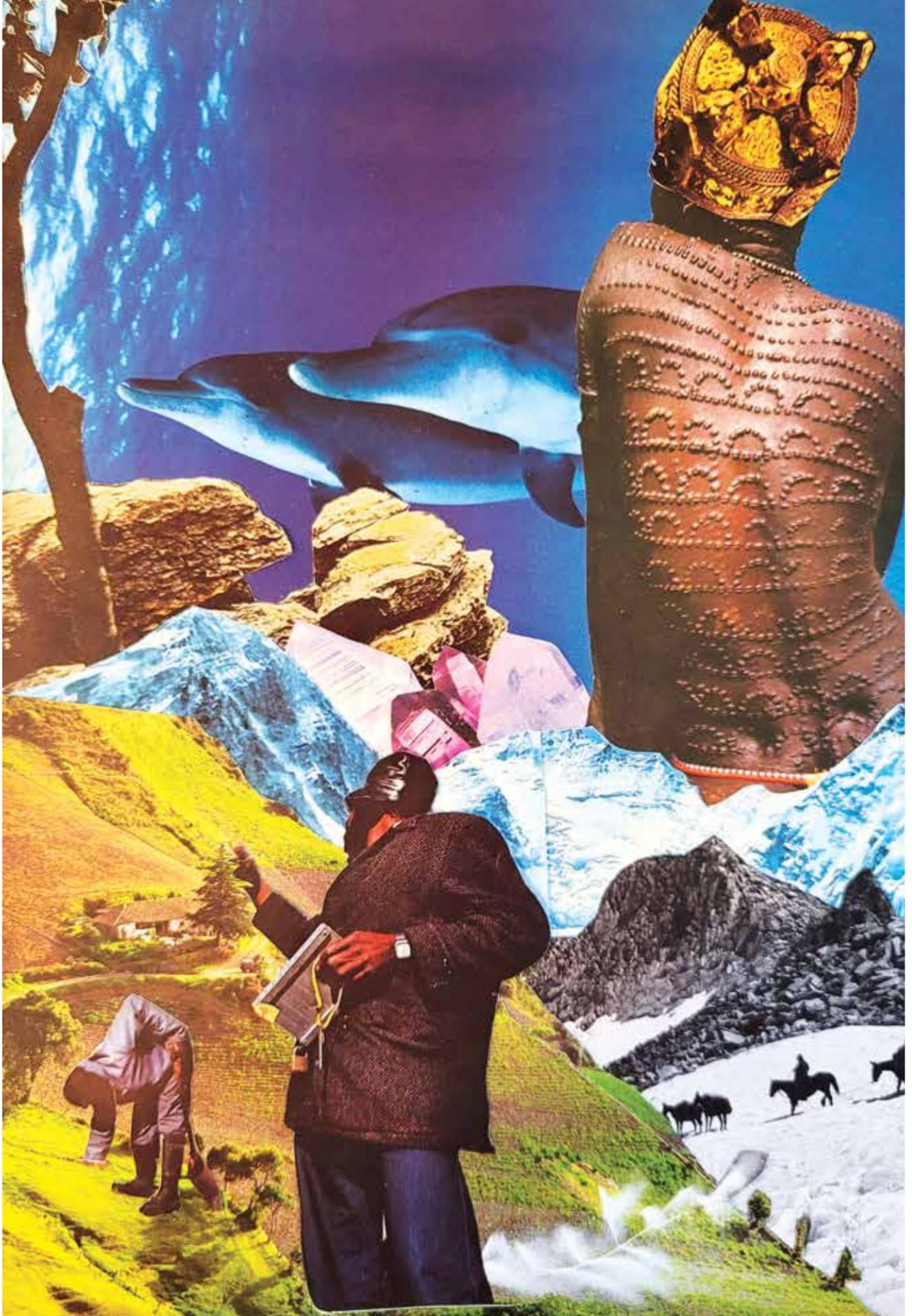
[...]

CONCLUSION

As we have previously stated in other works, monetary restitution has been a centerpiece of virtually all other cases of reparations, both at home and abroad.²⁰ Some reparations commentators are concerned that money is not enough, but we believe that money is exactly what is required to eliminate the black-white wealth gap—the most glaring indicator of racial injustice in America. Ultimately, respect for black Americans as people and as citizens—and acknowledgment, redress, and closure for the history and financial hardship they have endured—requires monetary compensation.

Moreover, an emphatic message that “the murderers cannot inherit” will be delivered. This message reminds us of the American government's promise of land to the formerly enslaved. In 1865, under the authority of President Abraham Lincoln, the process of allocating 40-acre parcels to each black family of four on affordable terms—land that had been abandoned by and confiscated from the Confederate rebels—had begun. Lincoln's successor, President Andrew Johnson—and in our estimation, the country's most villainous president—asserted his authority and reversed Lincoln's orders, ultimately allowing the murderers to become the heirs. Reparations for living black Americans would enable the descendants of the enslaved to receive the inheritance that was properly theirs all along. Today's black-white wealth gap originated with that unfulfilled promise of 40 acres. The payment of this debt is feasible and at least 155 years overdue.

The authors would like to express their gratitude to Mehrsa Baradaran, Kendra Bozarth, Hasan Jeffries, Spencer Overton, Anna Smith, and Felicia Wong for their thoughtful comments and valuable insight throughout the development of this report.



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NOTES

1. William A. Darity Jr. and A. Kirsten Mullen, *From Here to Equality: Reparations for Black Americans in the Twenty-First Century* (Chapel Hill: University of North Carolina Press, 2020).
2. Malcolm X, television interview, March 1964, Malcolm X & Dr. Betty Shabazz Memorial and Educational Center, www.facebook.com/theshabazzcenter/videos/if-you-stick-a-knife-in-my-back-9-inches-and-pull-it-out-6-inches-thats-not-prog/10159147606541532/.
3. Jacqueline Bhabha, "Addressing the Legacy of Slavery," in *Time for Reparations: A Global Perspective*, Jacqueline Bhabha, Margareta Matache, and Caroline Elkins, eds. (Philadelphia: University of Pennsylvania Press, forthcoming September 2021).
4. We further outline the proposal for an elected Reparations Supervisory Board that would determine when closure is achieved, while also fulfilling other ongoing tasks; see Darity and Mullen, *From Here to Equality*, 267.
5. This standard, of course, will create substantial business for genealogists, but the agency administering the reparations program can facilitate the process by subsidizing genealogical research support for applicants.
6. Parental eligibility can dictate qualification for minors who are at least 12 years of age. Proof of paternity or maternity at least 12 years before the enactment of a reparations program or a reparations study commission—again, whichever comes first—would have to be established. Children will be able to receive reparations payments when they reach legal adulthood; in the meantime, funds would go into a federally secured trust account for them.
7. Walter L. Fleming, "Forty Acres and a Mule," *North American Review* 182, no. 594 (May 1906): 721–37.
8. Protection of black property would have required the Union Army to maintain its presence in the former secessionist states for at least a generation and/or directly arming the freedmen. Under General Sherman's Special Field Order No. 15, 400,000 formerly enslaved persons settled on 40,000 acres of land. Even that allocation, a mere fraction of the full 5.3 million acres specified in Sherman's order, was restored to the former slave holders at the direction of President Andrew Johnson. See Darity and Mullen, *From Here to Equality*, 158–59.
9. Lisa J. Dettling et al., "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances," *FEDS Notes*, September 27, 2017, www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm.
10. William Darity Jr., Fenaba R. Addo, and Imari Z. Smith, "A Subaltern Middle Class: The case of the missing 'Black bourgeoisie' in America," *Contemporary Economic Policy* (May 2020), 6.
11. *Ibid.*, 3–5.
12. A measure like the variance is not useful in this context; the variance as a measure of inequality is insensitive to the effects of an equal allocation of funds, regardless of the size of the allocation. We use the median-to-mean ratio instead. When that ratio reaches one, there is perfect equality.
13. We offer a possible alternative to the equal allocation approach in *From Here to Equality*, as a method for generating a more equitable distribution of wealth among black people. There is the option of combining a uniform payment to all eligible recipients with the "designat[ion of] a portion of the funds for competitive application, with priority given to the applicants with lower current wealth or income positions" (p. 267). On the other hand, if the concern is the highly unequal distribution of wealth among white Americans, or across all Americans generally, this should be addressed by a separate set of policies distinct from a black reparations project.
14. Thomas Craemer, "Estimating Slavery Reparations: Present Value Comparisons of Historical Multigenerational Reparations Policies," *Social Science Quarterly* 96, no. 2 (June 2015): 639–55.
15. For the \$10-per-acre of land in 1865 estimate, see Anuradha Mittal and Joan Powell, "The Last Plantation," *Food First Backgrounder* 6, no. 1 (Winter 2000): 1–8.

16. John Talbott suggested 9 percent interest in personal correspondence with one of the coauthors, January 7, 2020.
17. The COVID-19 crisis hardly obviates the need to institute a reparations plan, at least after the worst of the crisis has, hopefully, passed. The adverse effects of extreme black-asset poverty become more apparent in emergency conditions such as the crisis produced by the pandemic. Racial wealth differentials impose a correspondingly high degree of danger and harm on black Americans (see Danyelle Solomon and Darrick Hamilton, “The Coronavirus Pandemic and the Racial Wealth Gap,” Center for American Progress, March 19, 2020, www.americanprogress.org/issues/race/news/2020/03/19/481962/coronavirus-pandemic-racial-wealth-gap/). The lack of wealth increases black vulnerability because black people have been disproportionately concentrated in the personal service/contact jobs that have been destroyed by the pandemic, or they are disproportionately concentrated in health service jobs that place them at the greatest risk of exposure to the virus. One message to be taken from the pandemic is that the racialized dangers of the current situation might have been moderated had the racial wealth gap been eliminated already. A second message, evidenced by the federal government’s capacity to mobilize resources without taxing first, is that the nation is capable of financing black reparations. See William A. Darity Jr. and A. Kirsten Mullen, “The racial disparities of coronavirus point yet again to the need for reparations,” *Philadelphia Inquirer*, April 20, 2020, www.inquirer.com/opinion/commentary/coronavirus-black-americans-racial-disparities-reparations-2020-0420.html; and William A. Darity Jr. and A. Kirsten Mullen, “Coronavirus Is Making the Case for Black Reparations Clearer than Ever,” *Newsweek*, May 5, 2020, www.newsweek.com/coronavirus-making-case-black-reparations-clearer-ever-opinion-1501887.
18. Laura Feiveson and John Sabelhaus, “How Does Intergenerational Wealth Transmission Affect Wealth Concentration?” *FEDS Notes* 182, no. 594 (June 1, 2018), www.federalreserve.gov/econres/notes/feds-notes/how-does-intergenerational-wealth-transmission-affect-wealth-concentration-20180601.htm; William Darity Jr. et al., *What We Get Wrong About Closing the Racial Wealth Gap*, Samuel DuBois Cook Center on Social Equity, Duke University, April 2018, socialequity.duke.edu/wp-content/uploads/2020/01/what-we-get-wrong.pdf; Jermaine Toney, “Is There Wealth Stability Across Generations in the U.S.? Evidence from Panel Study, 1984–2013,” Challenging Racial Disparities Conference: Race and Justice in America Today, held at Rutgers University, June 4, 2019, and Andreas Fagereng et al., “Heterogeneity and Persistence in Returns to Wealth,” *Econometrica* 88, no. 1 (January 2020): 115–70.
19. “Framework for Information Literacy for Higher Education,” Association of College and Research Libraries, January 11, 2016, www.ala.org/acrl/sites/ala.org.acrl/files/content/issues/infolit/framework1.pdf.
20. William Darity Jr. and A. Kirsten Mullen, “How Reparations for American Descendants of Slavery Could Narrow the Racial Wealth Divide,” *Think: NBCNews*, June 20, 2019, www.nbcnews.com/think/opinion/how-reparations-american-descendants-slavery-could-narrow-racial-wealth-divide-ncna1019691.

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