It began with 246 years of legal slavery in which we extracted wealth from the lives of African Americans. At the time of the Civil War, close to 4 million African Americans were enslaved, 13 percent of America’s total population. After the war, institutional injustices focused on stealing their land and jobs and ensuring that African Americans did not build wealth as fast as the rest of Americans. The economy we have today was built on this.

Why Reparations?

A NATION BUILT ON THE BACK OF SLAVERY AND RACISM

JUST THE FACTS

13 percent of America’s total population. After the war, institutional injustices focused on stealing their land and jobs and ensuring that African Americans did not build wealth as fast as the rest of Americans. The economy we have today was built on this.
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**
  - 1859: 2.25 billion pounds
  - 1790: 1.5 million pounds

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

- For every dollar cotton made, about 40 cents ended up in New York as the city supplied insurance, shipping, and financing.

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

Discriminatory business policies kept white people economically ahead.

- Black Codes were enacted to stop African Americans from owning their own businesses.
- Business Licensing Fees Under Black Codes in 1870
  - $100 Black entrepreneurs
  - $50 White entrepreneurs

Emancipation did not bring economic freedom to former slaves.

- Southern merchants used unfair credit to impede black wealth building.
- Interest Rates Charged by Merchants (1881–1889)
  - Georgia: 44%–74%
  - New York City: 7%

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

- President Andrew Johnson overturned Gen. Sherman’s famous promise, which would have redistributed roughly 400,000 acres to newly freed black families.

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.

- **Black Convicts in Nashville, Tennessee’s Main Prison**
  - 1865: 33%
  - 1867: 58%
  - 1869: 64%

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
- **Currency in circulation**
  - $450 million

48% of total wealth of the South in 1860

**No 40 ACRES AND A MULE**

President Abraham Lincoln 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, 1862, President Abraham Lincoln signed a bill ending slavery in the District of Columbia, providing for compensation to former owners.

**1790**

- 1.5 million pounds

**1859**

- 2.25 billion pounds

**Cotton used in British textile industry**

By the 1830s

- 77%

**1859**

- 2.25 billion pounds

**1860**

- 1865
  - 33%
  - 1867
  - 58%
  - 1869
  - 64%

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

For every dollar cotton made, about 40 cents ended up in New York as the city supplied insurance, shipping, and financing.

**NEW YORK’S SHARE OF ALL COTTON REVENUE**

- 1865: 33%
- 1867: 58%
- 1869: 64%

**U.S. Cotton Used in British Textile Industry**

By the 1830s

- 77%

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

- Discriminatory business policies kept white people economically ahead.
- Black Codes were enacted to stop African Americans from owning their own businesses.
- Business Licensing Fees Under Black Codes in 1870
  - $100 Black entrepreneurs
  - $50 White entrepreneurs

**INTEREST RATES CHARGED BY MERCHANTS (1881–1889)**

- Georgia: 44%–74%
- New York City: 7%
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
- **70%-80%** Blacks in the South

Racist policies contributed to the decline of black farmers.

By 1982, 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**

- **1910**: 15 million acres
- **1982**: 3.1 million acres

Money meant for distressed homeowners supported segregation.

In 1933, the Home Owners’ Loan Corporation was created and helped more than 1 million homeowners. The HOLC was the origin of “redlining” maps.

**GOVERNMENT LOANS TO AVOID FORECLOSURE**

- **1 million** loans
  - **0** loans to blacks in white neighborhoods

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

The income gap has not budged since 1970.

For every dollar of assets white households have...

...black households have a dime.

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**

- **1865**, just after Emancipation: **0.5%**
- **1990**, a full 125 years after Emancipation: **1.0%**

Can we calculate the economic damages?

Estimates range from:

- **$59 trillion**
- **$24 trillion**
- **$15 trillion**
- **$6.4 trillion**

That’s MLK’s $800 billion in today’s dollars

* 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

YES! infographic by Jeff Neumann and Tracy Loeffelholz Dunn.

Research by Heidi Bruce and Clo Copass. Images from Library of Congress.