

THE BROOKINGS INSTITUTION
Brookings Cafeteria Podcast
Black History Month: Creating environments of belonging
February 1, 2019

CONTRIBUTORS

FRED DEWS

Host

CAMILLE BUSETTE

Senior Fellow – Economic Studies, Governance Studies, Metropolitan Policy Program

Director – Race, Prosperity, and Inclusion Initiative

DAVID WESSEL

Senior Fellow – Economic Studies

Director – Hutchins Center on Fiscal and Monetary Policy

(MUSIC)

DEWS: Welcome to the Brookings Cafeteria, the podcast about ideas and the experts who have them. I'm Fred Dews. February is Black History Month, and so today on the podcast we're highlighting the work that Brookings scholars are doing year-round on the intersection of race and policy, with a focus on building more inclusive economies, addressing structural inequities, and understanding issues surrounding race and civic engagement.

To illuminate these issues, my guest today is Camille Busette, a Senior Fellow and Director of the Race, Prosperity, and Inclusion Initiative here at Brookings. Also, on today's show Senior Fellow David Wessel offers his regular economic update, addressing the question of whether you should be worried about the rising federal budget deficit.

You can follow the Brookings Podcast Network on Twitter, @policypodcasts, to get the latest information about all of our shows, including, Dollar and Sense: The Brookings Trade Podcast, Intersections, and 5 on 45. Find them on our website, on Apple podcasts, or wherever you like to get podcasts.

And now on with the show. Camille, welcome back to the Brookings Cafeteria.

BUSETTE: Great to be here, Fred.

DEWS: Thanks for joining us on this beginning day of Black History Month. Why is it important to observe Black History Month?

BUSETTE: So, I think there are a couple reasons. The first is that, you know, we clearly are a nation built on the efforts of a range of folks, and certainly people who were brought here as slaves were very, very important in building this nation and what it has become. And I think it's important to illuminate what has happened to the descendants of those folks, not only in terms of where they are in all their contributions to the economy, but also in terms of the kinds of strides that we probably still need to make to make sure that they feel as included as their service to the nation warrants.

DEWS: It seems to me, and I may have brought this up before and I'm sure, I know you've heard it, people would say, "Well, African-Americans got the right to vote in [1965], Civil Rights Act passed in [1964], and that solved all the problems. So, why are we still talking about these issues?" Why do we still have to have a specific focus on issues affecting the black community today?

BUSETTE: Well, I think the main reason for that is that clearly you know all statistics show, and we know just anecdotally and socially, that African-Americans are not as included and don't feel a sense of belonging, the sense of belonging that they probably should feel at this point 400 years later. And I think it's very clear that, you know, in the last couple of years with increasingly open and explicit events of racism, Charlottesville being one of them, obviously, that we still have a lot of ground to cover and we need to make a lot more progress. So, I think it's important that we keep top of mind the kinds of contributions that African-Americans have made in the past and that continue to make sure our history, our culture, our politics, everything that we do here.

DEWS: Can you talk about some of the research priorities that you have as director of the Race, Prosperity, and Inclusion Initiative, and maybe also talk about some of the work that your colleagues are doing not only in Black History Month, but year-round that focus on issues of race and policy.

BUSETTE: Sure, absolutely. So, I just want to start off by saying that we have a fantastic cadre of fellows and senior fellows here at Brookings that work on race-oriented issues. And if I had to kind of sum up what it is we're working on, I think a lot of what we're working on is figuring out how do you create environments of belonging in a variety of different ways? And I borrow that phrase from John Powell at Berkeley. But what that means is, how do we think about a world in which we're not constantly trying to climb into an existing structure? But, how does a structure that really looks like it values us, values African-Americans, what does that structure really look like and how do we create that?

So, when I think about the work that I'm doing particularly for young men of color and communities of color, I'm constantly thinking about what would communities look like, and neighborhoods look like, if they were truly valuing everybody in them? And what kinds of policy choices would we be making if that were the case? So, that's one area of interest for me in particular. But, I know that for instance Andre Perry, who also been a guest multiple times on our Brookings podcasts, is also thinking about what are the kinds of investments that we can make in black communities that make them as vibrant economically as communities that are not majority black. And so, again, that's about how do you create spaces and how do you create environments where normal things happen and where people are valued for what they bring to the table?

DEWS: Do you think this has a political aspect as well? I mean, I know sometime this month Stacey Abrams will be participating in a Brookings event. She narrowly lost the gubernatorial race in Georgia amid a lot of evidence of suppression of African-American votes. We've seen other manifestations of the power of women, specifically black women, around the country. Can you talk about some of the ways that this environment of belonging might intersect with politics in this country?

BUSETTE: Stacey Abrams' race is a fabulous example of how we continue to not belong, and in some very important and I think very unfortunate ways. So, for instance, in her case in the race, in her case, I mean it was a very clear evidence of voter suppression. We've seen other instances of that that have been highly publicized. North Carolina, in one particular district. But, what that points to is there have been systems in place that have really tried to suppress the physical and political presence and cultural presence of African-Americans. And, it's just now that we are really, you know, at this point, so many years, almost fifty, fifty plus years after civil rights movement that we are really coming to terms of what that means on a really granular political level. And so, what we're seeing is that now there's a lot more attention given to voter suppression, and while I think a lot of

people in the United States probably think that that's really an edge case, there's probably a whole system that has existed to try to suppress the votes of African-Americans in a variety of different states. So, Georgia is probably not the only one. And that system is everything from how do we collect absentee ballots, how are they delivered, by whom, what time, et cetera. And then, of course, you know the more typical examples of voter suppression which we're really focused on: litmus tests and, you know, addresses, and ID cards, et cetera. So, in my view, her race illuminates an area where we still have a lot of work to do to feel as though we really belong.

And, I think, in addition to just general voter suppression, which it turns out is a very significant issue, we also have other kinds of voter suppression that is based on a person's identification with the judicial system. So, for instance, if you've actually been in the judicial system and been convicted, in a lot of states you can't vote, even after coming out and doing your time. And, because we know the judicial system, you know, is very prejudicial against African-Americans, typically African-American males, that is also another way of suppressing their political voice. And, again, it's something that you know I know a lot of my colleagues here are working to eliminate, and hopefully eliminate.

DEWS: Yeah, in Florida they passed a ballot measure in November to restore voting rights to former felons, but it seems like the elected establishment in Florida is now trying to somehow subvert that, or overturn it, or not operationalize that.

BUSETTE: That's correct. That's right.

DEWS: And probably most of those would-be voters would be African-Americans.

BUSETTE: Right. And I think, particularly, in the southern United States, a lot of Southern states have had the luxury of living with various forms of voter suppression, and now that those are being highlighted. I think there's still a lot of pressure to kind of keep those systems in place because there is clearly political significance to the fact that you could change the way the electoral profile of voters looks over time. And so, I think, you

know, people are very cagey about making those changes.

DEWS: Given the conversation we've just been having about politics, I want to turn to something you wrote just over a year ago on the anniversary of Dr. Martin Luther King Jr. s birthday. And you wrote, "Politically it seems as if we are, at best, standing still, at worst, bending backward to a meaner, cooler moment." Now, this was before the 2018 midterm election outcomes. Given what we've just talked about though, do you think, how do you feel about the outcome of the election in terms of what you wrote about a year ago?

BUSETTE: So, I think the issues are still, you know, very much alive. I'm— I think we still have to deal with the fact that post-2016 and with the rise of the Trump voters and Trump constituencies, that there is just a lot more space to be openly racist and discriminatory. And I don't think that the changes of the 2018 election have really changed that discourse very much. What I think is very positive about the outcome of 2018 elections is that you do have a broader range of voices that represent the U.S. So, you know, if you look at Congress 50 years ago, 20 years ago, you could say that there was a little bit of a gap between what we look like as a nation and who is actually representing us. And, I think, that that gap has closed and that's extremely positive. Now, what has to happen as a result of having those folks in Congress, right, a lot of them are freshmen, is that you have to have those voices starting to challenge the kind of racist and discriminatory rhetoric that is now considered relatively mainstream, and figure out a way to be better than that, and figure out a way to address the real differential outcomes and inequities that come from that kind of rhetoric and that kind of assumptions that are behind that kind of rhetoric. So, I am looking to the new incumbents to really try to change not only that conversation, but change the kind of assumptions that are behind the kinds of racist conversations and discriminatory conversations that have become de rigueur here under the Trump era.

DEWS: Despite that progress politically that we see in the U.S. Congress, I believe Stacey Abrams would have been the first African-American woman elected governor of any state. So ...

BUSETTE: So, we still have some room to grow, is that, is that your point of view?

DEWS: Yes.

BUSETTE: Okay, I agree.

DEWS: Definitely. Let's go back to these economic issues, policy issues around prosperity. Can you first talk about what you think are the most significant misperceptions about African-American prosperity and progress in America?

BUSETTE: Sure. So, I think, certainly with the election and re-election of Barack Obama I think there is a perception that blacks, and African-Americans in general, are doing just fine. Right. And then, when you add to that maybe the increase in the number of African-Americans that you're seeing on TV and in film, you know, "Black Panther" for instance, and other kinds of cultural vehicles it might seem as though you know things are going really well for black Americans and we really don't need to do anything more. So, I think that that is one common misperception. But, as we know from the work that's been done here at Brookings and other places as well, African-Americans there still experience a tremendous wealth gap an income gap compared to their white peers. And you see that in almost sort of every socioeconomic level, and some of the interesting work has been done by Ross Schoeni has also shown that wealthy African-Americans, particularly wealthy African-American males, are much more likely to become poor than their white peers. So, there are some dynamics that I think are not well appreciated by the general public when they just sort of look at the media, et cetera. And I, so I, think that that is one of the myths. The other kind of damaging myth is that, and one hand you have what looks like a lot of African-Americans who are doing well, on the other hand we still have a very pernicious narrative about who benefits from welfare and other kinds of social programs

like, that social benefits. And I think, the vast majority of Americans if you ask them would probably say something like, African-Americans are mostly the ones who benefit from welfare payments and other kinds of welfare arrangements. And I think, it's not well known, generally, in the general public, that the majority of recipients of federal benefits in particular and state benefits as well are actually Caucasians. Right. And when we think about the push to expand Medicaid in particular, which has been increasing since the passage of the ACA, but there was an extra push in this last midterm election. When we see the discussion about Medicaid expansion ... Medicaid I think a lot of people think, oh, that's just for, you know, poor blacks, when in fact a lot of the states in which that push was happening, Maine, for instance, you actually have in the majority of the beneficiaries are white. And I think, that's another area where we could do a lot more to illuminate who it is that are benefiting from these kinds of federal programs.

DEWS: One of the themes that I mentioned in the introduction that Brookings scholars are looking at during Black History Month, and year-round, is something called structural inequities. Can you describe what that means with a particular focus on this idea of structural?

BUSETTE: Sure. So structural inequities have to do with the way in which certain institutions in the United States function, and they function in such a way that they don't give a fair shake to people who are of African-American origin. So, probably the most obvious one with the greatest life consequences is the criminal justice system. So, I will just pick, you know, sort of one element of the criminal justice system. So, if you are a young African-American man and you are either poor or low-income and you are charged with a felony, often you do not have access to a really top-notch attorney or representation. What typically happens to these young men are a couple of different things that do not happen to their wealthy white peers. So, the first thing is that they're charged, number one. Number two, they might be charged as an adult, even if they are juvenile,

and that means that the kinds of penalties will be a lot greater than if they were charged as a juvenile, as a minor. Then they will often be asked to agree to a plea deal, and the plea deal typically is one that ends up putting them behind bars for a significant amount of time. And when you have an attorney who's representing a wealthy client, typically, if there is a plea deal, it's much better than the kinds of plea deals you see these kinds of young men pleading to. So, what ends up happening in a system which looks relatively neutral, is that there are pieces of the system— so for instance, whether to be charged as an adult or a juvenile, whether you will do a plea deal that is more advantageous to you than not. Those are pieces of system which when you do not have adequate financial resources you cannot get the better deal you can't get the better outcome. And so, something that looks as neutral as the criminal justice system—you know, you're going to be judged by your peers, et cetera—right in the very beginning of that process, if you happen to get into it, right at the very beginning, there are inequities.

Then if you move further and you go to trial, let's talk about jury selection. So, there have been some really interesting articles and research that have come out lately which have shown that prosecutors are much more likely to eliminate black jurors, or potential jurors, than white jurors. And so, as you go through jury selection the people who end up being in the pool of likely jurors also can be structured in such a way that it's not necessarily to the advantage of the defendant. And what happens after the prosecutor picks those folks and the defense attorney actually goes in and weighs in and selects but is already selecting from a smaller pool which has eliminated a lot of African-Americans, and then the judge finally does a selection, and often, the research shows, eliminates more African-Americans. So right there, you haven't even gone to trial, and you can see how the institution itself is structured in such a way that it really favors somebody with more resources and it really favors somebody who is white or Caucasian.

DEWS: I'm going to stay on this question of structural inequity for just a couple

more minutes because I think it's so vitally important that people understand, and I'm going to make sure I understand. There is a faction of people in this country who would look at the data on African-American homeownership, on crime, on wealth, on educational attainment, on a whole range of things, and say, "well everyone has the same opportunities. That's just the choice that is being made by members of the African-American community." And they throw on some moral ... concept on it, and that's in direct opposition, I think, to the idea that there are structural issues at play ...

BUSETTE: Correct.

DEWS: ... that is disproportionately and severely impacting a particular community in America because of its present and historical circumstances. Am I kind of describing that right?

BUSETTE: That is correct. And I think, you know, you touched on homeownership. So, let me talk a bit about the differences in wealth between blacks and whites, and you know it's a very significant gap and often, depending on the area of the country that you're talking about whites probably have somewhere between eight and ten times the amount of wealth as blacks, in general, black families. And so, a good portion of white wealth and wealth in general—and the U.S. is really based on home ownership, and home ownership is really, really an area where you can see a lot of structural inequities, and historically, right, and currently and historically, but there the issue has been that you actually have state sanctioned types of discrimination, redlining, et cetera. And community sanctioned redlining, which for many, many years prevented blacks from actually owning valuable properties that they could then leverage for other kinds of wealth creations or pass along to their descendants, et cetera. And so, the system of homeownership that has existed in the U.S. is one that has definitely, I mean, obviously, and explicitly favored white homeownership. And it's only, you know, in the last, I would say, twenty to thirty years that we're really coming to terms with what that means in terms of wealth creation. And so,

when we think about structural inequities you see it in almost every facet of life. But, certainly homeownership is one, the criminal justice system is another. Even the educational system, which seems like there should be a school for everybody. But, as we know, schools in poor areas—whether they're black or white or otherwise—schools in poorer areas certainly don't have the kinds of resources that are needed to prepare students for the 21st century. And, you know, when you compare public schools in very poor areas, particularly urban areas, with schools in wealthier areas for instance Montgomery county out here. There is such a difference not only in the resourcing, but the curriculum, the expectations, the level of teacher that's attracted, the kinds of activities that the kids have. So, that to say that we all have access to the same thing is pretty far from the truth.

DEWS: Well, Camille, let's round out this conversation by looking ahead. What are some of the top policy ideas that you and other Brookings experts are looking out for, addressing some of the issues that we've talked about today?

BUSETTE: So, one of the areas that I think we are extremely focused on is how do we get more people of color into kind of the edge technology fields and high-tech fields. So, you know, machine learning, and AI, data sciences, et cetera. And the reason we are concerned about that is that the kinds of jobs that are likely to be created in the next twenty years are ones that really focus a lot on very strong STEM skills. And it's clear, right at this moment, that a large swath of communities of color do not have access to the kind of education that prepares them for those sorts of jobs. And so, likely the kinds of gaps that I've referenced before in income and wealth will only grow if we don't have a way to address the kind of deficits and skills that currently plague communities of color, with respect to the high-tech community. So, we're focusing a lot of attention on what are the various pathways that could get people in communities of color towards the kinds of jobs that will define the rest of the 21st century. So, that's one area that we're very focused on. I

know that, as I mentioned, Andre is very focused on how do we attract investment and capital to majority black owned cities. And the idea of there, obviously, is that in a lot of majority black cities you have a lot of talent and you have a lot of human capital, but you are kind of financial capital starved and that you could get a lot of really interesting and good outcomes if you could attract investors. But, that there is a narrative problem around attracting investors. And so, he's really focused on that narrative problem, and, you know, how do we transcend that narrative problem to attract investors. Another area that we are really focused on, and I'm particularly very interested in, is the importance of social capital and social networks to economic mobility. And this is something that I think is starting to gain a lot of currency in philanthropic organizations and research organizations, which is understanding that people move forward in the economy largely based on the kinds of social networks that they have. And trying to understand what those social networks that really enable mobility look like, and how do you create them, and how do they become an explicit part of policy.

DEWS: Well, Camille, I want to thank you for sharing your time and expertise today to talk about these very important issues.

BUSETTE: Thank you very much, it's been a pleasure.

DEWS: You can learn more about Camille Busette, the Race, Prosperity, and Inclusion Initiative, and all the research and activities at Brookings for Black History Month and beyond on our website at [Brookings.edu](https://www.brookings.edu).

Here's David Wessel with his economic update.

WESSEL: I'm David Wessel and this is my economic update. There was a time when American politicians regularly professed great alarm at the large and growing federal budget deficit. Not so much today, even though the Congressional Budget Office's new projections show the deficit at \$900 billion dollars this year and topping \$1 trillion in just a few years. That sounds big, and it is. The best way to measure deficits is to compare them

to the size of the economy, the gross domestic product. CBO expects deficits—that's the difference between the revenues coming in and the spending going out—will substantially exceed 4 percent of GDP a year for the rest of the decade, even if the economy does okay and we avoid a recession. That compares to an average deficit of 2.9 percent of GDP over the past 50 years, a period that includes the big deficits run up to fight the Great Recession, and, of course, persistent and growing budget deficits mean the total federal debt will keep rising to the highest levels in history. Unless Congress raises taxes, or cuts spending, or both.

So, with the economy doing pretty well, unemployment at a 50 year low and all that, why does CBO project growing deficits and rising debt? For starters, the government is not collecting enough in taxes today to cover what we're spending today. But, more importantly, looking ahead, the nation has made promises to pay retirement and health benefits, especially to the elderly, that exceed the revenues that today's tax code is likely to bring in. Congress cut taxes substantially in 2017, and the CBO director says those tax cuts are not paying for themselves in added economic growth, and we are an aging society which means more people will be collecting Social Security and relying on Medicare and other government health programs, the cost of which are rising faster than the other parts of the budget. All this is well known even to members of Congress. But they're not doing much about it. How come?

One, there's very little public pressure to do anything about this. You see anybody out on the Washington Mall carrying a sign saying "Raise My Taxes," "Cut My Social Security"? There's certainly no leadership from the White House on this front either.

Two, there's very little pressure from financial markets. Big borrowing is supposed to lead to higher interest rates, and it probably will someday, but for now the bond market is shrugging off the growing federal debt. Interest rates remain at historically low levels.

Three, many Democrats protest that Republicans cut taxes and run up the deficit,

and then put pressure on Democrats to be fiscally responsible. They point to Ronald Reagan, the first George Bush, and now President Trump. So, now the Democrats have a little more clout with control of the House of Representatives, they figure why should we be responsible? We'd like to spend more particularly on public investment of all sorts, and let the Republicans raise taxes when the time comes for them to be in charge.

And four, a number of prominent economists—Olivier Blanchard, Larry Summers, Jason Furman—are making the case that with interest rates so low and likely to remain low for a long time, there's simply less urgency about reducing the federal debt that we've built over the years, even though even they say today's large deficits are unwise.

So, how worried should you be about all this? Well there's no obvious reason to worry about today's deficits. The U.S. government is borrowing hundreds of billions of dollars, much of it from abroad at historically low interest rates. It's the future that's the problem, or the potential problem. Over time, federal borrowing reduces national savings, and that means the nation's total stock of capital will be smaller, and that means productivity wages and living standards will be lower in the future than they might otherwise be. Also, the bigger the federal debt, the less flexibility the government has if it wants to borrow heavily in a crisis say we have another deep recession or financial crisis or have to fight a war. And finally, we can't count on interest rates being low forever. And when they rise, the weight of all this debt service will be much heavier than it is today. As in so many things, our current political system doesn't seem to be able to address problems that aren't causing pain today but are likely to cause problems in the future.

DEWS: The Brookings Cafeteria Podcast is the product of an amazing team of colleagues including audio engineer and producer Gaston Reboredo, with assistance from Mark Hoelscher. The producers are Chris McKenna and Brennan Hoban. Bill Finan, director of the Brookings Institution Press, does the book interviews. And Jessica Pavone and Eric Abalahin provide design and web support. Our intern this semester is Quinn

Lukas. Finally, my thanks to Camilo Ramirez and Emily Horne for their guidance and support.

The Brookings Cafeteria is brought to you by the Brookings Podcast Network, which also produces Dollar and Sense: The Brookings Trade Podcast, Intersections, 5 on 45, and our events podcasts.

E-mail your questions or comments to me at bcp@brookings.edu.

If you have a question for us scholar, include an audio file and I'll play it and the answer on the air.

Follow us on Twitter @policypodcasts.

You can listen to the Brookings cafeteria in all the usual places.

Visit us online at Brookings.edu.

Until next time, I'm Fred Dews.