REPARATIONS FOR SLAVERY IN THE STATE OF MARYLAND

I am honored to testify in support of House Bill 594: State Government—Maryland Reparations Commission—Establishment (Harriet Tubman Community Investment Act). I am a Senior Fellow at The Brookings Institution. I am also a Professor of Sociology at the University of Maryland and the Executive Director of the Lab for Applied Social Science Research (LASSR). LASSR is a research center that regularly partners with government agencies, organizations, and corporations to conduct objective research evaluations and develop innovative research products such as our virtual reality work with law enforcement and incarcerated people.

My written testimony addresses the legacy of slavery in the state of Maryland, the legacy of slavery in the United States, and the importance of formalizing a reparations package for descendants of enslaved Black Americans.

THE LEGACY OF SLAVERY IN MARYLAND

The legacy of slavery continues to stain the United States. While slavery was nothing new to humans, the racialization of <u>slavery</u> was indeed new. In addition to the economic consequences of slavery to Black Americans, the mental, emotional, and brutal anguish of slavery is something that can never have a price placed upon it. Still, reparations are a good step forward to reconciliation and healing. A reparations package is one important way to atone for our country's "<u>genetic birth defect on the question of race</u>," as Congressman Hakeem Jeffries said when I interviewed him at The Brookings Institution in February 2020.

The legacy of <u>slavery in the state of Maryland</u> is noteworthy:

- From 1619 to 1697, nearly 100,000 Blacks arrived in Maryland.
- By 1776, 90% were native born.
- Around 1850, the price of an enslaved Black man was roughly \$1500.
- Between 1830-1860, Maryland slave owners sold 20,000 enslaved Blacks further south.
- One in three marriages were split up and one in five children were separated from their parents due to interstate slave trading. "The interstate slave trade had a devastating impact on Black families" (Berlin et al. 2008: 11).
- Troublingly, in 1860, the Maryland General Assembly actually outlawed freeing slaves and instead created a way for freed Blacks to renounce their freedom and become slaves again.
- Maryland finally prohibited slavery in November 1864.
- In 2007, Maryland General Assembly issued a formal apology for slavery.

Maryland's southern counties housed nearly the same number of Whites as they did enslaved Blacks. Free Blacks represented less than 10% of the population of southern counties. It must be made clear that slave owners not only made money off the chattel enslavement of Black Americans, but they then made money multiple times over off the land that the enslaved worked. In Washington DC, slave owners were paid reparations for <u>lost property</u> once slaves were freed. This practice was also common in nearby states.

The legacy of slavery is apparent in neighborhoods such as Fairwood in Prince George's County. While middle- and upper-class Black families experience some exclusive amenities, the slave master's house still looks down on them as it remains a staple in the middle of the neighborhood. During the housing crisis of The Great Recession, a substantial percentage of homes in Prince George's County went into <u>foreclosure</u>, removing a large amount of wealth that Black families had accumulated over the previous decade. This was not by accident but designed into the institutional DNA of Maryland land. Areas like Prince George's County continue to experience lower housing prices and appreciation of their property than those who live in neighboring Montgomery County and Howard County. Unfortunately, racial composition is the main factor. Research by my Brookings Institution colleague, Dr. Andre Perry, shows that houses in predominately Black neighborhoods, compared to houses in predominately White neighborhoods, have <u>23% lower home value</u> even when controlling for crime, size, and other factors.

While the legacy of slavery in Maryland is one of suffering and economic disparities, it is also one of empowerment and uplift. It is no coincidence that where Maryland sits geographically that some of the most influential Black Americans were born in the state and some of the most influential decisions about slavery occurred near the Mason-Dixon line (such as John Brown's infamous revolt on Harper's Ferry in 1859). Some of the most influential Black Marylanders include Harriet Tubman (who is arguably the greatest American to ever live), Frederick Douglass, Daniel Coker, Benjamin Banneker, Josiah Henson, and Frances Ellen Watkins Harper. Without slavery, imagine the prominence that would have come from Maryland even beyond these names?

Though the 2007 apology by the Maryland General Assembly is notable, it is not enough. The damage to Black Americans has been done. Enslaved Blacks helped produce tobacco, cotton, wheat, coal, and iron. They built the C&O and B&O Railroad. They took care of the children of White slave owners, while their children slaved in the fields. Obviously, elected officials were some of the biggest culprits. Former Maryland Governor Charles Caman Ridgely owned about 350 slaves at the time of his death. He freed them all only to have his son purchase nearly 80.

The legacy of our nation's most sinister sin extends beyond 1864 and the Emancipation Proclamation that was enacted the year before. Enslaved Blacks served in the military during the American Revolution and Civil War for a country that had never served them. The failure of our state, local, and federal governments to correct our nation's most sinister sin extends to the care given to soldiers returning from war. The implementation of the GI Bill and Social Security after WWII is especially noteworthy. Though White and Black Americans fought in WWII, they were not allocated military benefits in similar ways. Whites were able to send themselves and their children to college, and obtain housing and small business grants. Conversely, Black Americans were not afforded these same set of benefits for serving their country. This is because the GI Bill was mandated federally and implemented locally. This was the case for Purple Heart recipient Maryland Congressman Parren J. Mitchell who was originally denied admission to our state's flagship university in College Park. Regarding social security, domestic and farm work were excluded from The New Deal Policy enacted by President Franklin D. Roosevelt. This was a racial issue because 60% of Blacks across the U.S. and 75% in southern states worked in these two occupations.

The Great Depression was a time for the United States to hit reset, and begin on a path toward racial equity for all groups. Instead, 1930s policies afforded Whites a fall forward, while penalizing Blacks with a fall backwards. Consequently, the middle class that developed in the mid-1900s was primarily reserved as "Whites only."

THE LEGACY OF SLAVERY IN THE UNITED STATES

I should also note that Blacks were promised 40 acres and a mule to atone for slavery. This form of reparations never precipitated. However, reparations did manifest for other groups including Native Americans, Japanese Americans, and Jewish Americans. Black Americans are the only group that has not received reparations for state-sanctioned racial discrimination, while slavery afforded some White families the ability to accrue wealth multiple times over.

Some broader statistics from the National Museum for African American History and Culture related to American slavery are of import here:

- <u>12.5 million Blacks</u> were shipped in chains from Western Africa to the Americas
- About 15% of the enslaved died during transport, mostly due to brutal physical treatment and suffocation in the bottom of slave ships, inadequate healthcare, and unsanitary conditions as well as through acts of resistance such as fighting back, jumping into the Atlantic, or refusing to eat.
- \$29,376,000 was the value placed on cotton produced by enslaved Blacks in 1822
- \$250,000,000 was the value placed on cotton produced by enslaved Blacks in 1861
- \$25,700,000 was the amount of bank credit issued from mortgages that used enslaved Blacks as collateral in the state of Louisiana in 1859
- \$3,059,000,000 was the value assigned to enslaved Black Americans in 1860

Collectively, the monetary value we know that was placed on enslaved Blacks, the fact that other groups have received reparations, and the fact that Blacks were originally awarded reparations only to have them pulled back provide overwhelming evidence that reparations for the descendants of enslaved Blacks is in order. To determine qualification, birth records can be used

to determine if a person was classified as Black American. Census records can then be used to determine if a person has consistently identified as Black American. Economist Sandy Darity asserts that people should show a <u>consistent pattern of identification</u>. Below I discuss three aspects of a reparations package (education, homeownership, and business ownership) in line with the Harriet Tubman Community Investment Act.

EDUCATION GRANTS AS A FORM OF REPARATIONS

White college graduates have over <u>seven times</u> more wealth than Black college graduates. Student loan debt continues to be a significant barrier to wealth creation for Black college graduates. Among 25-55 year olds, about 40% of Blacks compared to 30% of Whites have <u>student loan debt</u>. Blacks also have nearly \$45,000 of student loan debt compared to about \$30,000 for Whites. Some of this debt they accrue to send their children to college. Recent research finds that Blacks are more likely to be allocated unsubsidized loans. Furthermore, graduates of Historically Black Colleges and Universities (HBCUs), compared to predominately White institutions (PWIs) are more likely to receive subpar loans.

Accordingly, descendants of enslaved Blacks should receive college tuition to 4-year or 2year colleges and universities. People can use the tuition remission to obtain a bachelor's degree or an associate's/vocational or technical degree. Tuition should be available for public or private universities. Considering the racial gap in the ability to obtain degrees at private schools, this part of the package will further help to reduce racial disparities by affording more social network access and opportunity structures.

Appropriately, the education part of the package should also include student loan

forgiveness. Student loan debt accounts for a substantial amount of debt for Black Americans and inhibits their ability to save for traditional home loans and small business start-ups.

Universities including Georgetown and Princeton are aiming to atone for the fact that the sale of slaves helped to fortify their university endowments and establish them as elite institutions of higher education on a global scale. Descendants of the slaves sold by Georgetown and Princeton are entitled to full rights and benefits bestowed by those universities to obtain degrees across the higher education pipeline. Other universities, along with the federal government, should follow suit.

HOUSING GRANTS AS A FORM OF REPARATIONS

Neighborhoods that are at least 50% Black have half the <u>home values</u> on average to neighborhoods with no Black residents. Accordingly, I assert providing down payment grants and housing revitalization grants to Black Americans. The down payment grants will provide Black Americans with some initial equity in their homes relative to mortgage insurance loans. Housing revitalization grants will help Black Americans to refurbish existing homes in neighborhoods that have been neglected due to a lack of government and corporate investments in predominately Black communities. As gentrification occurs, Blacks are typically priced out of neighborhoods they helped to maintain while the historical and current remnants of redlining and restrictive covenants inhibited investments. Given recent settlements for <u>predatory lending</u>, low and fixed interest rates as well as property tax caps should be part of the package. Some Black Americans are being forced from their family home of decades because of tax increases as neighborhoods are gentrified.

BUSINESS OWNERSHIP GRANTS AS A FORM OF REPARATIONS

Black business ownership, particularly for Black women, has <u>significantly increased</u> over the past couple of decades. From 2007 to 2017, <u>minority small businesses</u> grew by nearly 80%, which was 10 times faster than the overall small business rate. These businesses help the economy grow and make the United States continue to be the country that people around the world want to frequent and invest in. However, Blacks are still less likely to obtain capital from banks to make their business successful. This is the reason why Black-owned business growth in terms of revenue, paid employees, and number of businesses has lagged behind that of other racial groups.

I suggest providing business grants to Black-owned businesses that are starting up, planning to expand by hiring more employees, or purchasing property. These businesses are more likely to be located in predominately Black neighborhoods that need the infrastructure and businesses.

In conclusion, the proposed reparations package is a collection of policies that already exist in some form either at the state or federal level. This proposal is about restoring value to people and restoring value to places. If only one portion is addressed then other important aspects of how institutional racism operates in education, the labor market, and the housing market are missed. In order for the United States to atone for slavery and its legacy, we must focus on policies specifically for Black Americans. Still, reparations are all for naught without stronger anti-discrimination policies and enforcement of those policies to ensure the viability of racial equity moving forward.

I end with a quote from Dr. Martin Luther King, Jr.'s "I Have a Dream Speech" that he gave in 1963 in Washington D.C. This statement is still one of the forgotten and unfulfilled aspects of this policy-related speech.

"We have come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir. It is obvious today that America has defaulted on this promissory note insofar as her citizens of color are concerned. Instead of honoring this sacred obligation, America has given the Negro people a bad check, a check which has come back marked "insufficient funds." But we refuse to believe that the bank of justice is bankrupt."