

PROFITING FROM RACISM: a family history of how race and class privilege created wealth

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(The following essay examines some of the ways that my ancestors and I have benefited from racism. Using family and personal histories to trace how financial resources and opportunities were passed down from generation to generation, the essay explores how I benefit today as a white person from the decisions of my ancestors and past U.S. government policies that unintentionally -- and intentionally -- exploited people of color. I hope that this essay challenges white people to consider how racism is not simply a historical process that hurt people of color, but one that continues to give us unearned benefits in the 21st century.)

My chances for success in life were determined long before I was born. Generations of Thompsons, Middletons, and Watkins on my father's side, and Austins, Guilds, and Shermans on my mother's side owned land and financial and material resources, and then passed on whatever assets they had accumulated to their children and grandchildren. These assets, whether limited or substantial, gave my ancestors stability and opportunity, and, ultimately, a sense of security that they would survive, and in some cases, thrive. I am one of the beneficiaries of their foresight, thriftiness, and hard work. I am grateful for what they directly and indirectly have given to me.

I am also the beneficiary of systemic racism that has privileged me and my ancestors. It was racism that made it possible for my ancestors to first acquire land from Native People and then accumulate money from unpaid or underpaid labor of people of color. It was racism imbedded in volumes of federal and state statutes and in long standing cultural beliefs that allowed and even encouraged my ancestors to take advantage of their white skin privilege as they increased their wealth. Intentionally or unintentionally, my ancestors exploited people of color.

I am sure, like any family, my ancestors were a mixed lot: some kind and gentle, some mean and harsh. I am sure that some were troubled by the racism they saw while others were blind to it. Some may have noticed injustice but failed to make the connection between their actions and the perpetuation of racism. Some rationalized what they were doing. They were all products of their culture and each a product of their unique family circumstances that socialized them into particular patterns of thinking, feeling, and behaving. I accept them for who they were.

I live in a different time. My ancestors in the 17th, 18th, and 19th, centuries lived with cultural and political values that validated the oppression of people of African, Asian, and Native descent. "Old fashioned racism" -- overt, explicit, and intentional laws and actions designed to oppress people of color -- was the law of the land. Today, most forms of old fashioned racism have been "officially" abolished. Racism continues, however, as "modern racism" -- covert, subtle, and sometimes unintentional discrimination directed at people of color.

Like old fashioned racism, modern racism makes life difficult, and sometimes impossible, for

people of color, and, as I will argue in the pages to come, makes my life easier and gives me opportunities to enjoy and improve my life. I am therefore the beneficiary of both the historical legacy of racism and current patterns of racism. That means that my success as a white man, and even my very existence, is directly due to racism. How much my success and existence is due to racism I cannot say. Sexism, classism, and other forms of oppression have also played a role. But I am sure that racism has been an important factor.

In the following pages, I'm going to present information about my family and my life to show how I have benefited materially from racism by answering these questions: How did my ancestors benefit from slavery and the theft of land from Indigenous people? How have I benefited from this legacy and subsequent policies of racial segregation? How have I benefited from federal policies of racial discrimination at the time of my birth in 1950? How have I benefited from the exclusion of People of Color from participation in most of institutions of the society? How do I benefit now from the economic exploitation of People of Color?

How did my ancestors benefit from slavery and the theft of land from Indigenous people?

The Thompson Family

My father was born and raised in West Point, Mississippi, with many generations of southern families behind him; my mother was born and raised in Ridgewood, NJ, with many generations of New England families behind her. I'll begin with my father's ancestors.

My great great grandfather, William Thompson, was born in Tennessee in 1811, and moved to Mississippi sometime before 1868. Land records indicate that he bought property that year in a community known as Cairo, in Chickasaw county, about 16 miles west of West Point, in northeast Mississippi. The name of the county is significant, because the land was occupied by the Chickasaw and Choctaw people for centuries before the arrival of people of European descent.

In 1786, the Chickasaws signed the Treaty of Hopewell with the newly formed government of the United States, in which they declared themselves at peace with the United States. This Treaty, however, was the first in a series of treaties that gradually diminished the rights of the Chickasaw people. White settlers entering Chickasaw county from the north and east wanted the land for themselves, as owners, in violation of Chickasaw beliefs of shared custodianship of the land. A series of treaties between the Chickasaws and the United States were aimed at moving the Indians out of the area to a new homeland in the west; finally, in 1831, the Treaty of Pontotoc provided that the Chickasaw lands in Mississippi would be surveyed and sold as soon as possible.

While the Chickasaws were being relocated to the west in the forced march west known as the Trail of Tears, white settlers were buying this land. Public sales (of course, limited largely to white men) began in 1836. At first, the land sold at \$1.25 and acre, but prices decreased to a low of 12 and 1/2 cents an acre. This encouraged both settlement and speculation; land was often resold by speculators at \$5 to \$10 an acre.

In 1868, William Thompson purchased a quarter section of land (160 acres) from Robert Miller for \$755.00. I don't know when, or for how much, the land was originally purchased; I assume that it was Chickasaw land purchased for far less than the \$4.72 an acre he paid for it. I do know that the land was held in the family until 1926, at which point it was sold for \$2,000.00, with the proceeds shared between my great grandmother Mary Gilmore (Stephens) Thompson and her children, one of whom was my grandfather, John Gilmore Thompson. When I went to West Point, Mississippi, in 1997 to research my dad's family, my cousin referred to this land as the Thompson homestead.

I also know that, according to the 1880 census, my great great grandfather was illiterate and had two "servants" living in his household: Mariah Coggins, Black Female, age 34 and Cate Coggins, Black Female, age 10. Although I don't know for sure if William Thompson or his father owned slaves before Emancipation, I do know that William Thompson's father-in-law, my great great great grandfather, John Middleton, owned slaves. According to the census taken in 1820 and 1830, John Middleton owned from 3 to 14 slaves while living in Georgia and Alabama.

Now at this point, I have to do some speculation, as I will continue to do as I move through the historical record, but I feel reasonably confident that what I'm next going to write is true. The only way that three generations of Thompsons could have lived on and profited from the land in Cairo was because the Chickasaws had been forcibly removed from the area. Secondly, it is reasonable to assume that my great great grandfather William Thompson owned slaves; it is possible that Mariah Coggins had been a slave in his household before being considered a servant in the 1880 census. In 1860, the population of Chickasaw county was majority slave; there were 2,000 more Blacks than whites. I believe that William Thompson owed his survival to unpaid Black labor.

My dad tells me that his father, John Gilmore Thompson, purchased a farm near West Point around 1918 and had a Black tenant farmer named Love*. Love's family, consisting of husband, wife, and 2 or 3 children, lived in a one room cabin provided by my grandfather. In a letter to me in which he describes his own childhood, my dad wrote, "Love always had a cow, a pig or two, and a large vegetable garden. These were provided of course by my father.... Love was not paid in money, but he did have access to my father's charge account at a large general store in West Point.. . At Christmas each year, Mr. John, as my father was known to the Black people, would buy several boxes of bar candies and distribute a generous portion to Love and his family. I believe that he also gave Love an amount of cash, perhaps five dollars, at Christmas... This was a huge gift for people who saw no money at all the rest of the year."

*(My dad recalls only the name "Love" for this man, and in correspondence with me, refers to him simply as "Love." My dad believes that this was his first name and that he had no surname; my suspicion is that my father was never told about Love's surname. The cultural racism of the time allowed my father, a child, to call an adult "Negro" by his first name. I wish I could refer to "Love" as Mr. _____.)

This land, unlike the other Thompson property in Cairo, was held until my grandmother's death in 1967; my father's share of the proceeds from the sale of this property amounted to a few thousand dollars. In the context of my family, a few thousand dollars is not a significant amount of money. However, the significance of owning land goes beyond any financial benefits that eventually accrued to my father.

Owning land brings a sense of security. It allows the building of a home you know is yours; it provides food and wood for fuel and buildings. In an agricultural community like West Point, I believe that land ownership was a prerequisite for emotional and material satisfaction. Some historians suggest the most significant reason why former slaves failed to prosper under Reconstruction was because of the inability to own land due to racially discriminatory government land programs and lack of financial resources. Although there were proposals and calls to provide land for freed slaves, the federal government provided some food and legal aid, and established hospitals and schools for people of African descent. Land that had been abandoned or confiscated in the south ended up for the most part in white hands, not Black. Throughout Reconstruction, the Thompson family owned land. I can only conclude that race was a primary factor, if not the primary factor, in determining the fortunes of the Thompson family in comparison to the fortunes of Black families like the Coggins, whose options were extraordinarily limited.

Other Branches of My Father's Family

In addition to the branch of my father's family that is descended from William Thompson of Tennessee, there are at least three generations of Watkins, two generations of Stevens, and one generation of Lowes that settled in Mississippi after living in Alabama, Georgia, and Ohio, as well as several generations of Bectons and Hilliards before that, from North Carolina. The pattern of owning land previously occupied by Chickasaws and exploiting Black labor was repeated in each of these families.

In a privately published book on various branches of the Watkins family, it is indicated that John Becton (born around 1700) was a "man of great wealth" living in Craven City, North Carolina. His contemporary, the father of Edith Hillard, was a "prominent planter" of Edgecomb County, North Carolina. Given the extent of slavery in North Carolina, and the prominence of these two families, it is likely that they and their descendents owned slaves and profited directly from slave labor. The Becton and Hilliard families also owned land, all of which was originally occupied by Native people. It was this wealth that allowed their descendents -- people like Mary Watkins and Lewis Stevens, my great great grandparents -- to move from North Carolina in the 1840's and purchase at least two slaves and land in Mississippi.

According to the 1860 census, my great great great grandfather John Watkins (Mary Watkins' father) owned seven slaves, ranging in age from 12 to 51, and land in Oktibbeha County, Mississippi. Lewis Stevens owned land valued at \$3600, located next door to his father-in-law, and two female slaves ages 11 and 14. His personal assets were valued at \$4200. According to the 1880 census, my great grandfather John Wesley Lowe had four Black servants living in a household that included his wife and two young daughters. The servants include a cook, Sallie Lowe (Black Female, age 49), a nurse, Ella Lowe (Black Female, age 12), the cook's daughter

Ginnie Lowe (Black Female, age 5) and the cook's son, Henry Gibson (Black Male, age 8).

I suspect that there are many more examples of the ways that my father's ancestors exploited Black labor; I have only begun to do research on slave holding and the use of servants in my father's side of the family. The same is true for lands originally occupied by Native people that were brought and sold by members of my family over the course of three centuries. But I believe that this limited data gives strong support to my belief that the social architecture of racism helped create the conditions for my father's birth in 1918.

How have I benefited from this legacy and subsequent policies of racial segregation?

My maternal grandfather, Rupert Sherman Austin, is descended from at least nine generations of Shermans, five generations of Guilds, and three generations of Austins, all of whom lived in Massachusetts and Rhode Island. My maternal grandmother, Viola Estelle Lavendol, is descended from at least three generations of Lavendols and three generations of Potters. When I notice the other surnames that show up in genealogical records on my mother's side of the family -- Rickerson, Palmer, Tabor, Whitford, Baker, Remington, White, Paine, Tripp -- it becomes clear how deep my roots go into Anglo-Saxon culture.

I want to demonstrate the impact of historical racism on my life from two different perspectives, using each side of my mother's family to demonstrate an aspect of racism. Using Rupert Sherman Austin relatives, I'm going to explore the impact of slavery and theft of native lands; this will be somewhat speculative, given the lack of concrete data about my ancestors' participation in slave and land holding. However, the historical patterns are well established, and given the length of time that his side of the family has been in New England -- at least one Sherman lived in Roxbury, Massachusetts, by 1633 -- I feel confident that there was some direct participation in, and probably some support for, oppression of people of African descent and Native people. Using Viola Estelle Lavendol's relatives, I'm going to explore more directly the wealth that was created as a result of racial segregation.

The Sherman and Guild Families

My maternal great grandmother, Edna Elvira Sherman, was the daughter of William Chauncey Sherman, whose family goes back at least seven generations to a Samuel Sherman who lived in England in the 17th century. Her mother, Malzena Alice Guild, came from a family that goes back at least four generations to a Joseph Guild, who probably lived in Massachusetts in the 18th century. The majority of the Shermans lived in various communities in Rhode Island; the Guilds, in Massachusetts.

It's easy to forget Northern participation in the institution of slavery and genocide of Native people. In the 17th and 18th centuries, slaveholding was legal and common in both Massachusetts and Rhode Island. In the 19th century, New Englanders of European descent were the beneficiaries of the Southern slave industry that supported the textile industry in the north; profits from the mills in New England were due in part to artificially low priced cotton

grown and picked by unpaid Black labor. And cotton was the essential raw material for factory jobs in New England. It provided employment for other workers in transportation, in handicrafts, and in wholesale and retail trade. Most of these workers were of European descent.

These patterns of slave holding and theft of Native land in New England are exactly the same as the treatment of African and Chickasaw people in Mississippi. I'm therefore led to the same conclusion about my mother's side of the family: their existence, and in some cases success, in Massachusetts and Rhode Island was based on the privileges of racism. Population data alone proves this point: while Native populations have been reduced to a fraction of what they were at the time of first contact with Europeans, there are thousands of Shermans descended from a Philip Sherman who arrived here from England almost 400 years ago. A privately published book on the Sherman family lists at least seven generations of Shermans who can be traced to Philip.

The Lavendol Family

My maternal grandmother, Viola Estelle (Lavendol) Austin died in 1990. She left an Estate worth \$600,000, of which I inherited \$125,000 in 1993. At the time of her death, her financial assets included her home, cash deposits, and stock. My grandfather, Rupert Sherman Austin, was a salesman for an office supply company; my grandmother had a career as a ballet teacher, managing her own business from her home and a rented studio nearby. My grandfather died at the age of 66, in 1957; my grandmother continued to live in their home in Ridgewood for the next 33 years, until she died at the age of 92 in 1990. During those 33 years, she traveled to Europe several times, periodically took my sister and me on vacations, and spent part of every summer on the coast of Maine in a cottage she rented.

According to my parents, the value of my grandmother's estate is due to the fact that she and her husband saved and invested their money carefully over the years. I believe that this is part of the story; I also believe that grandmother's, and thus my wealth through the inheritance, was derived in part from patterns of racial discrimination that are the legacy of slavery. As a way to trace the connections between racism and the acquisition of this wealth, I want to examine one of things I inherited from her, that she had inherited from her father: stock in the Bank of Commerce and Trust in Crowley, Louisiana.

My maternal great grandfather, Everett Lavendol (Viola Austin's father), was born in 1862 and died in 1940. He was a resident buyer for "dry goods" stores. His office was located in New York City although my mother recalls that his customers were in the southern United States, as were the workers who produced the cotton used in many of the products sold in the dry goods (textile) business. Slavery had been officially abolished for several decades when he started in this business, but the patterns of exploitation of Black farmers in the southern cotton industry continued into the 20th century via the institution of share cropping. In the early 1900's, therefore, when Everett Lavendol would have been in the prime of his career, it was still the case that the exploitation of people of African descent in the south was tied to the economic development of the north. He was only one or two generations removed from those who had profited in the same textile industry that had made its fortune on the backs of Black slaves.

In 1921, Everett Lavendol invested \$500. in what is now known as the Bank of Commerce and Trust in Crowley, Louisiana. Crowley is located about 100 miles west of New Orleans. Today, as it was in 1921 when the bank was founded, Crowley is an area characterized by maldistribution of income and wealth based on race, as well as hostility toward people of African descent. In addition to Black poverty, there are certainly many poor white people, and I'm sure that there is hostility directed towards them as well. Race is not the only reason for the income and wealth gaps. But the Board of Directors of this bank are all white men, and the vast majority of stockholders are white and at least middle class.

Banks make money from various commercial, housing, and personal financial transactions. Given the legacy of racial discrimination since the bank's founding in 1921, and the likelihood that, today, a relatively small number of white people in Crowley own the majority of businesses and property that employ and house Black people, it is reasonable to suggest that some percentage of the profits of this bank are directly due to racial disparities and exploitation of Black people. As stockholders, and recipients of annual dividends, my great grandfather, then my grandmother, and now I, are the beneficiaries of racism through the dividend checks the bank has regularly distributed. Because of stock splits and increase in value over the years, the total value of the stock purchased in 1921 by Everett Lavendol is now worth about \$500,000.

To put the original and current value of this investment in context, at about the same time as my great grandfather was investing \$500. in the Crowley bank, my grandfather, John Gilmore Thompson, was giving Love his annual present of \$5. Given his status as a tenant farmer, that \$5. could have represented Love's total financial worth, money that was necessary for basic needs. And so it is highly unlikely that Love left an inheritance to his children, except, perhaps, for a few personal possessions. It even seems absurd to suggest that he could have left an inheritance. The contrast between Love's financial status, and Everett Lavendol's financial status, is profound.

Finally, I want emphasize the impact of inherited wealth as a means of maintaining privilege in some white families and denying privilege to most families of color. It turns out that the distribution of wealth across racial lines is more unequal than the distribution of income across race; while the income gap between whites and people of color has been gradually closing (although there are significant income differences among various peoples of color) the wealth gap has been growing. In Black Wealth, White Wealth: A New Perspective on Racial Inequality, (NY: Routledge, 1995) Melvin Oliver and Thomas Shapiro argue that wealth is a more significant determinant of success than income:

Command over resources inevitably anchors a conception of life chances. While resources theoretically imply both income and wealth, the reality for most families is that income supplies the necessities of life, while wealth represents a kind of 'surplus' resource available for improving life chances, providing further opportunities, securing prestige, passing status along to one's family, and influencing the political process. (page 32)

I have to conclude that inherited money is a means to perpetuate the racial divide in the US. I don't believe that my grandmother consciously intended this when she wrote her will; she did

what most people do, and that is to pass their wealth on to their living relatives in the spirit of generosity. Of course, she could have given all of her money away to people more deserving than I, but that would have been unusual, and I am sure that there would have been many people advising her against doing so. What I want to emphasize here is the racial impact of her decision and the decisions of many well-intended white people like her.

How have I benefited from federal policies of racial discrimination at the time of my birth in 1950?

I was born on January 4, 1950 and spent my entire childhood, until I left for college, in Ridgewood, New Jersey. Ridgewood was known then as a "bedroom community." Located about 20 miles west of New York City, it was considered a desirable community for families in which the father commuted to work in Manhattan. During my childhood, Ridgewood was overwhelming white, middle to upper class, and Protestant.

After graduating from the United States Military Academy (West Point) and serving in the Pacific in WWII, my father held a variety of jobs in sales and management. (At West Point, his class was intentionally all white except for a single Black man; according to my father, his white classmates never spoke to their Black classmate for the entire four years they studied and lived together.) Although my father never made a great deal of money, he and my mom provided a comfortable home and always saved money. My mom helped her mother teach weekly classes in ballroom dancing, a small business that my mom took over some years later. For the most part, however, she was a homemaker and the person responsible for managing the family budget while my dad worked days and sometimes weekends and nights. We lived in a single family house that my mom and dad purchased before I was born and lived in for the rest of their lives.

At first glance, this brief sketch of my background may look like the story of many middle class baby boomers raised in the suburbs. But racism played some key roles here. Racially discriminatory federal policies impacted us during the 1950's and 1960's in ways that increased our economic opportunities and material standard of living. This process happened in at least three ways: my parents' ability to get a Veterans' Administration (VA) mortgage when they bought their house, and my father's ability to get a job, especially after the war, were enhanced by their being white; the value of their house increased because of federal policies that explicitly supported the growth of white suburbs like Ridgewood at the expense of Black urban areas; and my chances for getting into a "good" college were enhanced by living in white (and middle/upper class Protestant) Ridgewood.

GI Benefits

As a veteran of WWII, my father was entitled to a variety of benefits through the GI Bill. The only one he directly used, however, was the VA mortgage program; in 1947, he and my mother bought their house in Ridgewood for \$10,500 with a VA mortgage of \$7,500. Although the benefits of the GI Bill were, theoretically, available to all returning veterans, it was white veterans who principally benefited from the GI Bill due to racial discrimination. In "How Did Jews Become White Folks?" (in Race, S. Gregory and R. Sanjeh, eds., New Brunswick: Rutgers, 1998) Karen Brodtkin Sacks writes,

The GI Bill of Rights, as the 1944 Serviceman's Readjustment Act was known, was arguably the most massive affirmative action program in US history. ... GI benefits... included priority in jobs -- that is, preferential hiring, although no one objected to it then -- financial support during the job search; small loans for starting up businesses; and, most important, low-interest home loans and educational benefits... I call it affirmative action because it was aimed at and disproportionately helped male, Euro-origin GIs.

...the military, the Veterans' Administration, the U.S. Employment Service, and the Federal Housing Administration (FHA) effectively denied African-American GIs access to their benefits and to the new educational, occupational, and residential opportunities. ...African-American soldiers were disproportionately given dishonorable discharges, which denied them veterans' rights under the GI Bill. Thus between August and November 1946, 21 percent of white soldiers and 39 percent of black soldiers were dishonorably discharged. those who did get an honorable discharge then faced (racial discrimination in) the Veterans' Administration and the U.S. Employment Service. (page 88 - 92)

My father never asked for, or received, any financial support through the GI Bill during his search for employment after the war, but I believe that he was, inadvertently, the beneficiary of racial (and gender based) discrimination after the war. As a vet and West Point graduate, he was able to land a variety of jobs in sales and management at a time when Black servicemen were having difficulty finding jobs in a wartime and postwar environment of explicit racial hostility in both the South and the North. In the South, the number of lynchings actually increased during the war, in 1946, there were white riots against Blacks across the region, and there were the ever present laws mandating racial segregation. In the North, in 1943, there were anti-Black race riots in several large northern cities and widespread racial discrimination in access to jobs. (At the same time, women of all races, but mostly white women, were being encouraged, and sometimes forced, out of the factory jobs they had held during the war and into unpaid domestic work as wives and mothers or low paid service and clerical work.)

Regarding the issue of employment discrimination, Karen Brodtkin Sachs writes,

...black veterans did not receive much employment information and the offers they did receive were for low-paid and menial jobs. African-Americans were also less likely than whites, regardless of GI status, to gain new jobs commensurate with their wartime jobs, and they suffered more heavily.... In one survey of 50 cities, the movement of blacks into peacetime employment was found to be lagging far behind that of white... In San Francisco in 1948, Black Americans had dropped back halfway to their pre-war employment status. (page 92)

Federal Subsidies

In addition to access to jobs and a mortgage, my mother and father, and I, benefited from racial discrimination after the war in the form of federal policies that supported the growth of suburbs at the expense of urban areas. Suburbs were predominantly white, middle and upper class, and Protestant; urban areas were more likely to be the home of African and Asian Americans, people

of Eastern and Southern European descent, Jewish people, and poor people. As a suburb of New York City, the residents of Ridgewood were the beneficiaries of federal subsidies that made the town "attractive" and, over time, increased property values. Regarding these subsidies, Oliver and Shapiro write,

The suburbanization of America was principally financed and encouraged by actions of the federal government, which supported suburban growth from the 1930's through the 1960's by way of taxation, transportation, and housing policy... (T)ransportation policy (for example) encouraged freeway construction and subsidized cheap fuel and mass-produced automobiles. These factors made living on the outer edges of cities both affordable and relatively convenient.

(page 16)

The house that my parents bought for \$10,500 in 1948 was sold in 2005 for \$650,000. Some of the increase in value is due to my parents' sweat equity in the house; some of the increase is due to appreciation of property values. It seems to me that this is not an unusually high rate of appreciation for a 50 year investment; there are probably areas of the country where housing values have increased much more. I suggest, however, that a comparable investment by a Black family living in, say, Newark, NJ would be worth far less today, assuming, of course, that this family could have even obtained a mortgage on a house in Newark in 1950. I believe that the increase in the value of their house from \$10,500 to \$250,000 has to be seen in the context of racism, as well as classism and anti-Semitism: part of what made Ridgewood "attractive" was its identity as a white upper/middle class Protestant community; Ridgewood's attractiveness was built in part on federal subsidies.

Living in a "Good" Neighborhood

Finally, I believe that I have directly benefited from racism (and classism) through the perception, and perhaps reality, that communities like Ridgewood, New Jersey, had a "good" school system that produced "good" students worthy of attending "good" colleges. Because of the financing of the school system through property taxes, the white middle and upper class residents of the community could provide more than adequate financial support for public education. In addition, racial and class-based prejudice on the part of college admissions officers undoubtedly supported the belief that students like myself who had attended Ridgewood High School were better students than say, students who had attended a public high school in Newark.

In 1967, as a senior in high school, I applied to, and was accepted at, Brown University, a prestigious private university in the Ivy league. Although I had high grades and test scores, and worked hard on my application, I believe that my acceptance to Brown was enhanced simply by my growing up in Ridgewood. And, if it hadn't been for my grandmother's savings -- she helped my parents pay for my tuition -- I might not have attended Brown or any other private college. Having a degree from Brown has certainly opened doors for me that might otherwise be closed.

How have I benefited from the exclusion of people of color from participation in most of institutions of the society?

I bought my first house in Denver in 1978 for \$25,000. The house was located in what we politely called a transitional neighborhood, which meant that it was undergoing gentrification: a predominantly African American and Hispanic community where young white middle class professionals were buying inexpensive property, moving in, and hoping to realize some future profit. I easily qualified for a mortgage of \$23,750; I paid \$750 down and \$750 closing costs. Getting a second loan to buy the vacant lot next door and do extensive remodeling was also easy. When I sold the house, 6 years later, in a period of economic growth, I made a profit of \$30,000, which subsequently became the down payment for another home in Cambridge, MA. It's true that some of the profit I realized was due to sweat equity -- the many hours I put into remodeling -- and some of the profit was due to my luck at buying and selling at the right time. But my ability to borrow money and then realize profit from the sale of the house has to be seen in the context of white privilege.

First of all, I was able to get an Federal Housing Administration (FHA) mortgage. The FHA has a long history, beginning in 1934, of racial discrimination in deciding who gets loans and therefore which communities benefit from government support. For example, until 1949, the FHA explicitly recommended use of restrictive covenants out of the belief that property values would decline if racial segregation was not maintained. Regarding these recommendations, Oliver and Shapiro write

The Underwriting Manual openly stated that 'if a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes' and further recommended that 'subdivision regulations and suitable restrictive covenants are the best way to ensure such neighborhood stability.'... While exact figures regarding the FHA's discrimination against blacks are not available, data by county show a clear pattern of 'redlining' in central city counties and abundant loan activity in suburban counties. (page 18)

But racial bias isn't limited to FHA loans and isn't just historical. There is every reason for me to believe that my skin color was a factor in my obtaining a second loan from a local bank; the existence of racial discrimination in bank lending is well established. Again, Oliver and Shapiro:

A 1991 Federal Reserve study of 6.4 million home mortgage applications by race and income confirmed suspicions of bias in lending by reporting a widespread and systemic pattern of institutional discrimination in the nation's banking system. This study disclosed that commercial banks rejected black applicants twice as often as whites nationwide. In some cities, like Boston, Philadelphia, Chicago, and Minneapolis, it reported a more pronounced pattern of minority loan rejections, with blacks being rejected three times more often than whites. (page 19)

What might have been the outcome if there had been racial equality in access to home loans both before and during the period of time I owned this house in Denver? Presumably, rates of home ownership and property values in this African American and Hispanic community would have been higher, making it more difficult for me to buy a home at such a low price. There would have been more competition for loans and presumably less money available to me for borrowing.

A more stable community with higher levels of home ownership and less speculation might have meant a smaller profit at the time of sale. Theoretically, I might not have been able to buy this house at all if it weren't for policies of racial preference that benefited me.

How do I benefit now from the economic exploitation of people of color?

In addition to the ways that I have benefited, and continue to benefit from historical patterns of racism, I believe I benefit today from racism in at least two ways: as a consumer and as an investor.

As a consumer, there are many products I purchase that are produced by people of color working for low wages for companies operating both in and outside the United States. The result is that I pay lower prices than I would have if these workers were paid a fair wage based on the value they are adding to the product. And it's not as if these products are marginally profitable; management and owners are often making substantial profits on the products I buy.

Several examples of products come to mind. The chicken industry, concentrated in the Southeast U.S., employs high numbers of African American, Caribbean American, and Latin American workers to process chickens; companies in the industry are known for paying low wages, union busting, and maintaining unsafe work environments. Service workers in hotels and restaurants are increasingly people of color; while there has been growth during the 90's in the number of jobs in the service sector, these jobs are typically low paid with few if any benefits. Produce from California -- which is where most of the produce I consume comes from -- is often grown and picked by migrant workers and their children from Central America; the illegal status of many of these workers allows growers to pay low wages and provide substandard housing.

In the U.S., companies have avoided paying fair wages by moving operations to regions of the country where there is high unemployment, an abundance of low skilled workers, and little or no union organizing. Or, companies have simply set up operations, or contracted out work, in countries where wages are low, unemployment is high, and there are few, if any, laws protecting workers. For example, the components for many electronic devices, such as personal computers, telephones, and stereo equipment, are assembled by workers in the third world using toxic materials in unsafe conditions but marketed and sold by U.S. corporations using familiar trademarks. And much of the clothing in retail stores in the U.S. is produced in south east Asia by extremely low paid workers, including children, sometimes in sweatshop environments.

When it comes to making investments, I have also profited from racism. Over the past 20 years, I invested my savings, and the money I inherited from my grandmother, in a variety of ways: certificate of deposits in local banks, U.S. stock mutual funds, individual stocks, bonds, international funds, revolving loan funds, and money market accounts. While I have chosen some investments that are considered socially responsible -- from mutual funds that screen their stock picks to low dividend paying revolving loan funds that help develop affordable housing -- I have certainly profited from the run-up in the domestic stock market during the 1990's. The mutual funds I hold include corporations producing and selling their products and services in

both the US and abroad.

In an effort to maximize stock value and thus increase shareholder satisfaction, many corporations have gone to great lengths to cut back on expenses, particularly manual labor costs. While maximizing profits may be considered a fundamental rule of doing business in a capitalist system, many corporations have done so in a way that is particularly damaging to the communities in which they do business and the employees at the lowest levels in the hierarchy. Executives, and the shareholders in these corporations, made a lot of money in the past decade, while working class People of Color (and white) have seen no growth, or even decline, in their real income. In cases where corporations have sent jobs overseas (and hired People of Color at extremely low wages) or contracted out work to non-union shops, workers have lost jobs and seen their communities devastated. When corporations have pulled out of communities, they have done little to repair the damage.

I believe that the increase in the value of the domestic stock mutual funds that I hold is due, in part, to these corporate decisions. Using low paid workers in south east Asia and Latin America to gain profit for mostly white people in the United States is the same kind of racism that motivated Europeans to trade arms for slaves in the 19th century; it is the same kind of racism that led to US military involvement and support for right wing dictators in Latin America as a way to protect US investments in fruit production. It is racism when US based corporations exploit the resources of People of Color, and I, and many other white people in the United States, reap the financial rewards of this exploitation.

White Peoples' Personal Reactions to My Comments Here

When I have talked with other people about the ideas in this essay, in general, people of color have seen the truth in what I am saying. A few white people have also agreed with my analysis, even if they disagree with some of the details. But for most white people, the question I have asked myself -- "How have my family and I benefited from racism?" -- seems outlandish.

I acknowledge that some of my conclusions are speculative; I have no doubt that some of my analysis is faulty. And some white people reading this will decide that there is no similarity between my life and theirs, and that my conclusions have no relevance for them, because I have more privilege than they do. I'm sure that's true in many cases. At the same time, there are many baby boomers who have, or will soon have, more wealth than I do. I think that my experience is instructive because I am not very wealthy by the standards of who is considered wealthy in the United States today. Instead, I think it's reasonable to consider my situation somewhat normal for many white, male, middle class baby boomers.

Let me address one common response to what I have written here: that the reason that white people like myself have been able to accumulate assets is simply due to our hard work. It is true that I have, at times in my life, worked hard. However, many poor and working class people, both white and of color, have worked equally hard, if not harder, without being able to accumulate assets, through no fault of their own.

The truth is that luck has played an enormous role in my life, beginning with the luck of being born white, male, into a middle class family with the chance to inherit some money from my grandparents. Of course, if I hadn't taken advantage of all the opportunities presented to me, things would probably have turned out quite differently for me. Said another way, I have worked hard for what I have, AND I believe that it's important to put hard work in the context of race, gender, and class.

Let me give a concrete of how I have “worked for what I have” and, at the same time, have not had to “work for what I have.” The money I inherited from my Grandmother in 1993 -- \$125,000 -- was worth approximately \$200,000 just five years later, and probably worth double that amount by 2008. This increase is due to several factors, two of which I can claim some responsibility for, four I can't. I did decide to save all of the money, investing some of it in the stock market. And, I had been careful up to that point in my life to spend only what I had, so that my personal debt was limited to a very modest mortgage payment on my home. That meant I didn't need to use the inheritance for paying off debts. I'll claim some responsibility for being frugal, even though my mother was an expert at frugality and I must have learned some it from her.

But it is also true that my ability to be debt-free is due in part to my status as a middle class, white male with formal education. I can't claim responsibility for that; that status is largely an accident of birth. Connected to that status is the fact that my parents were able to provide for themselves, and so I did not bear the financial burden of supporting them, as is the case with many working class families and people of color. Nor can I lay any claim to the rise in the stock market and my luck of being in the right place at the right time. Most importantly, I did nothing to get an inheritance from my grandmother; it was her generosity that helped create my wealth. So for someone like myself to attribute success simply to "hard work" is half-truth at best.

Rather than dismissing my conclusions, or spending energy finding fault with my analysis, my wish is that white readers see themselves reflected in my story, find that my analysis does make some sense, and ask themselves the similar questions to the ones I have. For those white people who have thought of racism as a distant, abstract concept that applies to laws and institutions, my hope is that some of what I have written has brought racism home.

If we are serious about racial equality and justice in the United States, then there is much work to be done. A first and important step is that individual white people explore the continuing legacy of racism and how we continue to profit from racism. We can then take the material capital we've gained from white privilege, and “spend” this capital in the service of racial justice and reconciliation. This could take many forms: supporting activist organizations, educating other white people, supporting community based organizations of color, becoming activists ourselves, voting for political leaders who actively support racial justice, challenging media personalities who perpetuate racism, making careful decisions about consumption and investing. One recent and powerful example of white people spending the material and social capital from their white privilege is “Traces of the Trade”, a film by Katrina Browne and the DeWolf family of Rhode Island, documenting how the family profited from the slave trade. In a book I co-wrote with Emmett Schaefer and Harry Brod, White Men Challenging Racism, we profiled the lives of 35 ordinary white men who work on a daily basis for racial justice.

A Final Thought: How Might White Political Leaders in the United States Address the Legacy of Racism?

In addition to ordinary white people exploring the legacy of racism in their lives, we need courageous white political leadership – from elected office holders, corporate leaders, and influential members of the media – to address institutional and cultural factors that have allowed white people to benefit from racism. These white leaders need to educate themselves about their own family histories and the history of the United States, share that history, and then work in collaboration with affected people of color to find solutions that redress the damage from racism.

White leaders will have to do something that few white leaders have ever done: speak up about reality of racism, and challenge white people in the United States to finally come to terms with our troubled history. Candidates for public office have often talked about their own personal history in an effort to convince voters of their qualifications; in the 2008 presidential campaign, both candidates are doing just that, and it plays well with voters. Barack Obama also talked about the history of racism in the United States; his “A More Perfect Union” speech in March 18, 2008 in Philadelphia was very well received by white people and people of color. Although conventional wisdom has suggested that it’s too dangerous for a candidate to talk about racism – white people will be offended and the candidate will lose the support of white voters – the reaction to Obama’s speech suggests that at least some white people are ready to hear about racism.

Historically, it is people of color who have taken the risk to speak up about racism. And too often they have paid a price for doing so, from loss of white support and being the target of white anger, to being killed for expressing their political views. Rather than leaving that work only to people of color, it is time for white political leaders to take a risk and do more of the “speaking up” against racism and for racial justice.

If white political leaders are interested in that agenda, then there are many current, pressing issues for them to address that have more than a passing connection with racism. I’ll name a few: the disproportionately high imprisonment of people of color in the US, US immigration policy, rising prices and shortages of basic foods globally, the growing income and wealth gap between poor and rich people in the United States, health care, the occupation of Iraq, the impact of Hurricane Katrina in New Orleans, debt relief in third world countries, the subprime mortgage crisis in the United States. In each of these, there is a history of racism which helped to create the situation, and there is a component in which white people have exploited people of color and profited financially. And, unfortunately, white political leaders – including elected officials, journalists, and corporate leaders – have not made the connections between these issues and race. Let me explore just one of these current issues in a little more detail, and suggest its connections with racism and how white leaders might respond.

Agents selling subprime mortgages intentionally targeted African Americans in some markets. These agents in many cases knew that their customers could not repay or even understand the debts that they were taking on. Large financial institutions supported these mortgages, and also knew how risky and untenable they were. The goal was short term profit taking, and not

surprisingly, many white people made money from these transactions. The projected impact on the loss of aggregate Black wealth is staggering – perhaps hundreds of billions of dollars – and instead of wealth flowing from parents to children, as is the case for many current white baby boomers – wealth is flowing from children to parents in many Black families, as the children are forced to pay for their parents’ mortgages. This contributes to the growing wealth gap between white and Black families.

Some white political leaders have blamed African Americans for making bad financial decisions, for being “irresponsible” in taking on “risky” debt. Some white political leaders have defended white led and dominated financial institutions. Some white political leaders have simply remained silent. I believe that responsible white political leaders who care about racial justice need to honestly talk about the racism that set up this crisis and find solutions that repair the damage, hold financial institutions accountable, and assure that this does not happen again through laws regulating the mortgage industry.

Responsible white political leaders will “educate” the people of the United States about the history of federal complicity with racism in the real estate industry and how federally backed housing loans in the 20th century helped create white wealth while hindering the creation of wealth among people of color by denying loans to potential home owners whose skin color was not white. Responsible white political leaders will work with people of color to find solutions that compensate people of color for their losses, just like other white political leaders have worked to compensate white people for their losses – like “bailouts” for the losses in the financial industry from this same crisis. Responsible white political leaders will have the courage to tell the leaders of white financial institutions that their actions were, intentionally or unintentionally, racist, and then hold them accountable, emotionally and financially, for the damage they caused. And responsible white political leaders will face down the mortgage and financial services industry and pass laws that regulate the sale of mortgages, even though the industry has fought against such regulations.

In my opinion, that is the work of current and future political leaders. It will take tremendous courage for white people to face up to the legacy of racism. But if we are to achieve the promise of equality, and the challenge to oppression, on which this country was founded, do we have any other choice?

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