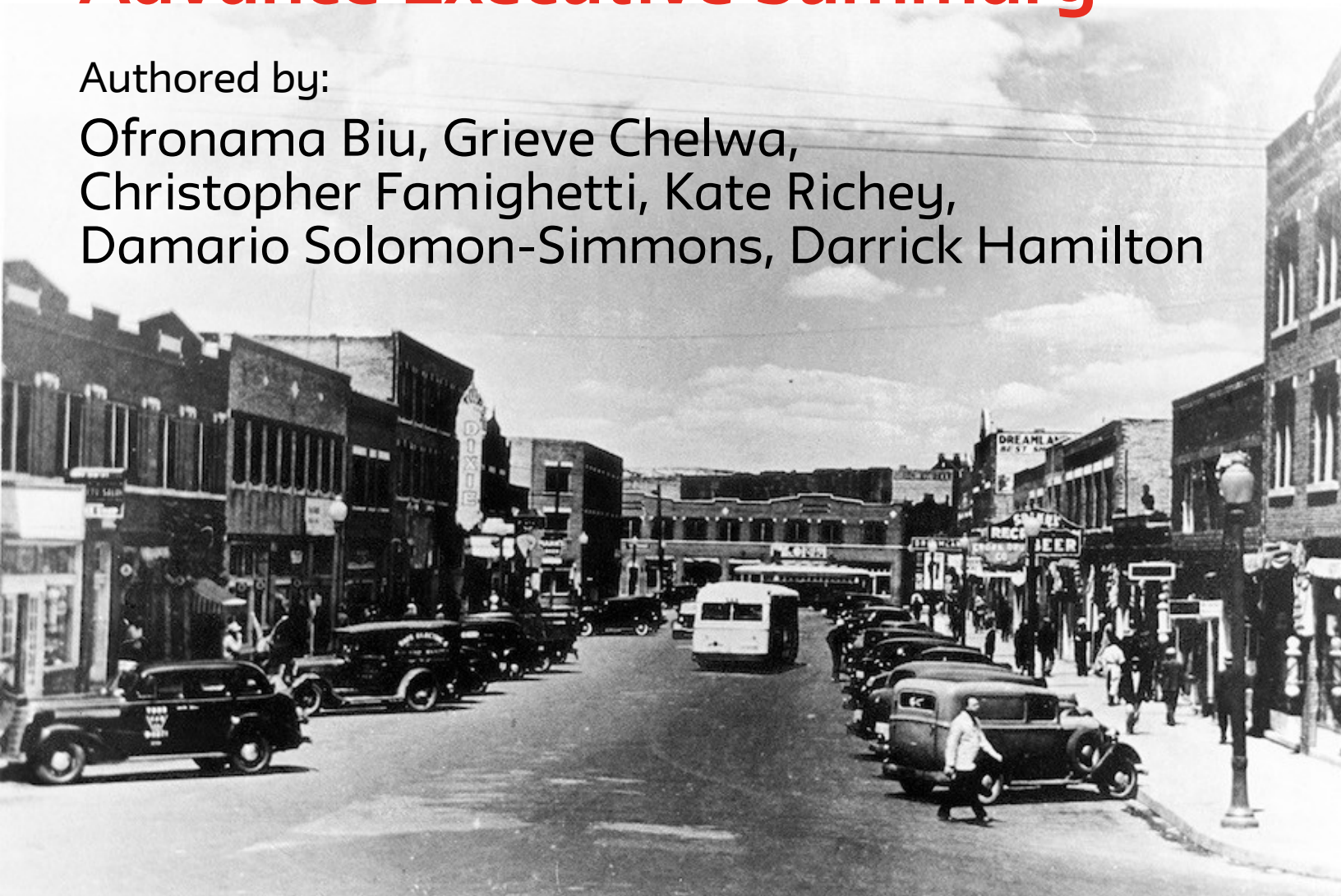


# THE COLOR OF WEALTH: THE DESTRUCTION OF GREENWOOD AND TULSA'S LEGACY OF LOSS

## Advance Executive Summary

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**JUSTICE** FOR GREENWOOD

# ADVANCE EXECUTIVE SUMMARY

This research brief summarizes findings in *The Color of Wealth in Tulsa, OK*, a report that is forthcoming from The Institute on Race and Political Economy at The New School and the Justice for Greenwood Foundation, Inc.<sup>1</sup> In solemn commemoration of the Tulsa Race Massacre, this brief focuses on the disparities in wealth between White and Black families in the Tulsa, Oklahoma Metropolitan Statistical Area (hereafter referred to as Tulsa).

May 31, 2021 marks the 100-year anniversary of the Tulsa Race Massacre. The Massacre, referenced below, resulted in the deaths of hundreds of Black people, the injury of thousands more, the wide scale destruction of property and businesses, residential displacement, and the loss of generational wealth. *The Color of Wealth in Tulsa, OK*, examines the racial wealth gap in Tulsa nearly a century after this terror. In addition to an examination of Black and White families, the full report includes other racial, ethnic, and, especially, tribal groups located in the Tulsa metro area.<sup>2</sup>

Racial wealth disparities in America are dramatic and often grow in times of economic peril. The Great Recession that lasted from 2007 to 2009 led to an increase in racial and ethnic wealth disparities between those who are White, Black, Latinx, and Native American. For example, Black and Latinx households lost almost half their wealth during the Great Recession while White households lost a quarter of their wealth.<sup>3</sup> Researchers—including some of the authors of *The Color of Wealth in Tulsa*—have written elsewhere that the current recession caused by the coronavirus pandemic will further widen the racial wealth gap given the disproportionate impacts of the virus and the economic downturn on people of color.<sup>4</sup>

Our description of the Black-White racial wealth gap in Tulsa is based on data from the National Asset Scorecard for Communities of Color (NASCC). The NASCC offers information on wealth and allows researchers to assess the financial experiences of various ethnic groups, including immigrants and nonimmigrants.<sup>5</sup> The NASCC Tulsa sample was collected primarily in 2014 and towards the end of 2013.<sup>6</sup>

The next section briefly describes the events, circumstances, and legacy of the Tulsa Race Massacre. Thereafter, we present our summary findings of the extent of the Black-White wealth disparities in Tulsa based on the 2014 NASCC data.

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1 The NASCC project and data collection began under the leadership of the co-principal investigators, William Darity, Jr. and Darrick Hamilton, with generous financial support from the Ford Foundation as part of their Building Economic Security over a Lifetime initiative directed by Kilolo Kijakazi.

2 The full report considers wealth disparities between the following households: White, Black, Mexican, Cherokee (enrolled), Creek (enrolled), American Indian with Tribal enrollment, and American Indian with no tribal enrollment.

3 See McKernan, S-M., Ratcliffe, C., Steurele, E., & Zhang, S. (2014). "Disparities in Wealth Accumulation and Loss from the Great Recession and Beyond." *American Economic Review*, 104(5): 240-44.

4 See Hamilton, D., Biu, O., Famighetti, C., Green, A., Strickland, K. & Wilcox, D. (2021). "Building an Equitable Recovery: The Role of Race, Labor Markets, and Education." The Institute on Race and Political Economy, The New School. Available at: [https://www.newschool.edu/institute-race-political-economy/Building\\_An\\_Equitable\\_Recovery\\_Hamilton\\_et\\_al\\_2021.pdf](https://www.newschool.edu/institute-race-political-economy/Building_An_Equitable_Recovery_Hamilton_et_al_2021.pdf)

5 Previous reports that have used the NASCC data are *The Color of Wealth in Miami* (Aja et al., 2019), *The Color of Wealth in Los Angeles* (De La Cruz-Viesca et al., 2016), *The Color of Wealth in the Nation's Capital* (Kijakazi et al., 2016), and *The Color of Wealth in Boston* (Muñoz et al., 2015).

6 Racial, ethnic, and tribal classifications were based on self-identification of the respondents who reported they were best qualified to discuss family financial matters.

# The Tulsa Race Massacre

The Tulsa Race Massacre of 1921 began on May 31st of that year and lasted well into the following day. Members of the Tulsa Police Department, the Tulsa County Sheriff's Department, the National Guard, other city and county leaders, and members of the chamber of commerce formed a large, angry mob of White Tulsans that overwhelmed the approximately 40-square-block community with violence. Hundreds of Black residents were killed, thousands more were injured, and fifteen hundred homes and businesses were looted and burned to the ground.<sup>7</sup> One of the worst acts of domestic terrorism in United States history decimated Tulsa's thriving, all-Black community of Greenwood. Like other mass atrocities, what was set in motion during those hours in 1921 changed the face of a community and birthed a structural inequity pernicious in its persistence.

This brutal and inhumane attack was not an isolated event. Over the following days, weeks, years and even decades, many of the same perpetrators took actions to ensure the permanent erasure of Greenwood and the wholesale seizure of its former residents' assets. The economic ruin of Greenwood robbed Black Tulsans of their rightful inheritance and denied successive generations the wealth, financial security, and tangible and intellectual property that might otherwise have sustained, enabled, and enriched the quality of life of an entire community.

White Tulsans and local government officials began an obstructionist campaign against rebuilding Greenwood virtually immediately.<sup>8</sup> The interference with rebuilding and investment in Greenwood and North Tulsa that began after the Massacre has never relented and is ongoing. There is still no viable public infrastructure in these communities. In every major category that undergirds individuals and households in their wealth-building endeavors over a lifetime (employment and educational opportunities, the availability of safe and affordable housing, a healthy environment and access to primary healthcare, etc.), Black Tulsans face shocking disparities compared to their White counterparts. These disparities are fueled by racist underfunding of public structures and deliberate and ongoing structural violence enacted by government entities whose choices impoverish the chances of Greenwood's descendants into 2021. Meanwhile, White Tulsans enjoy these resources in abundance, provided by the very same public structures and government entities that have inflicted a shameful legacy of intentional deprivation onto Tulsa's Black citizenry.

While the exact date and time of the beginning of the destruction of historic Greenwood is well-established, we have no timestamp for when moral and economic violence of the Massacre will end. Wealth once stolen is made permanently elusive by deliberate public policy choices. A hundred years of investments in White communities and neglect and expropriation from Black ones maintain an apartheid metropolis of dichotomous "development" in the City of Tulsa.

## Findings

*Table 1* (on the following page) presents information on the median family income and median family wealth of Black and White households in Tulsa. White families had a median income of \$65,000 while Black families had a median income of \$25,000. White family median incomes were almost three times greater than Black family median incomes.

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7 See "Tulsa Race Riot: A Report by the Oklahoma Commission to Study the Tulsa Race Riot of 1921." (2001, Feb. 28). <https://www.okhistory.org/research/forms/freport.pdf>

8 Tulsa Tribune. (1921, June 3). "Plan to Move Negroes Into New District."

Compared to other regions around the nation, Tulsa’s Black-White income disparities are large—and disparities in wealth are even worse. White families had a median wealth of \$145,000, while Black families had a median wealth of \$8,000. The typical Black family had only six cents for every dollar held by the typical White family. The Black-White wealth gap in Tulsa is six times greater than the Black-White income gap.

**Table 1: Median Family Income and Wealth for White and Black Families in Tulsa**

|              | Median Family Income | Percentage of White Median Income | Median Net Worth | Percentage of White Median Wealth |
|--------------|----------------------|-----------------------------------|------------------|-----------------------------------|
| <b>White</b> | \$65,000             | -                                 | \$145,000        | -                                 |
| <b>Black</b> | \$25,000             | 38%                               | \$8,000***       | 6%                                |



Source: NASCC Survey (authors’ calculations)

Note: The difference in the figures of Black households compared with the figures of White households was statistically significant at the \*\*\*99%, \*\*95%, \*90% level.

Homeownership is one of the most common ways in which families in the United States hold their wealth. *Table 2* presents data on homeownership rates for White and Black families in Tulsa. White families had a homeownership rate of 85 percent while Black families had a statistically significant smaller ownership rate of only 44 percent. And for those families that owned their home, the median Black family had \$31,000 in home equity, which is 39 percent of the value of median White home equity (\$80,000).

In terms of business ownership, White families in Tulsa had a business ownership rate of 14 percent while Black families had a statistically significant smaller ownership rate of one percent. And for those families that reported business ownership, the median value of business equity held by White families was \$20,000, while Black families had virtually \$0.

**Table 2: Home and Business Ownership Rates and Equity for White and Black Families in Tulsa**

|              |  |                   |                            |  |                       |                            |
|--------------|---|-------------------|----------------------------|---|-----------------------|----------------------------|
|              | Home Owned  | Home Equity Value | Percentage of White Equity | Business Owned  | Business Equity Value | Percentage of White Equity |
| <b>White</b> | 85%   | \$80,000          | -                          | 14%   | \$20,000              | -                          |
| <b>Black</b> | 44%***  | \$31,000          | 39%                        | 1%***   | \$0                   | 0%                         |

Source: NASCC survey (authors’ calculations)

Note: The difference in the figures of Black households compared with the figures of White households was statistically significant at the \*\*\*99%, \*\*95%, \*90% level.

## Conclusion

The most important measure of the degree of economic security and well-being for families is wealth. Wealth allows families to better cope with unexpected shocks such as sickness, unemployment, and the negative consequences of a pandemic. Wealth is also iterative; it enables families to make investments that lead to even more wealth. Wealthier families are better able to invest in businesses, own homes, invest in their children's education, and purchase better healthcare. Wealth is the ultimate precondition that undergirds future well-being. The data presented here show that there is a vast disparity in wealth between Black and White families in Tulsa. Black families own six cents for every dollar owned by typical White families. What is more, given the iterative and intergenerational nature of wealth accumulation, without redress, the Tulsa Race Massacre that occurred over 100 years ago is inseparable from the grave differences that exist today.

Little has changed on the 100-year anniversary of the Tulsa Race Massacre for which the government has direct and indirect responsibility. Black families continue to bear the brunt of a political economy that has devalued Black lives since its inception. The good news is that such a political economy is not destiny. Bold, transformative, and racially conscious public actions and policies can achieve a different outcome.

The 100-year anniversary of the Tulsa Race Massacre reminds us that it is long past time to create a new moral economy for the people of Tulsa and for the people of the United States.