



Break glass in case of emergency

Strategy memo for winning a robust and just recovery from the next recession

By **Connie Razza** • April 18, 2019

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In past recoveries, presidents, legislators, and agency staffers made deliberate policy decisions that resulted, over the long term, in either more widely shared prosperity or greater wealth and income inequality. Organized money and organized people held sway over these decision-makers. That is why, as we prepare for the next recession, we need more than shovel-ready economic infrastructure projects aimed at jump-starting stalled economic demand. To orient the recovery toward economic outcomes that reduce rather than boost wealth inequality along racial and gender lines, we need the right policy proposals *and* the political infrastructure to win them.

Fortunately, we have a deep resource for both these break-glass-in-case-of-emergency policy proposals and the infrastructure to carry them forward. Several campaigns and policy developments across the country are under way to defend and expand worker rights and power; rein in Wall Street; overhaul our energy infrastructure; strengthen our social safety net and reclaim our public services and goods; refocus the Federal Reserve primarily on achieving full employment; and repeal the regressive tax restructuring of 2017. These efforts share a common goal of investing resources in, and raising the living standards of, average American families. While these efforts offer long-term solutions to chronic crises in communities across the country, an acute financial recession broadens the sense of emergency and increases the political will to rebalance power in our economy. So, this activity provides a sound foundation for our “recession-preparedness kit”—our approach to responding to the next economic downturn. After all, the

problem of recessions is that typical households' spending is constrained by income, and as income falls due to recession-induced layoffs and wage cuts, spending falls, leading to a downward economic spiral. Stopping this downward spiral by giving families resources to spend is not just a compassionate response but one aimed directly at the central economic problem of low economic demand.

The people, organizations, policymakers, candidates, and funders engaged in the campaigns described above are primed to fight for the kinds of progressive policies and economic infusions that will fairly, directly, and quickly relieve the worst suffering in the next recession and to erect the programmatic infrastructure needed to create a new normal and a more equitable economy.

In this memo I outline the four critical components of a recession-preparedness kit that will lead to a robust and just recovery by building on the strong foundation we already have:

1. Agreement and articulation of the values that will drive the policy response to the next recession.
2. A set of policy solutions that are developed from the policy work already under way by campaigns seeking to increase racial equity, lessen inequality, and rebalance power in our economy and democracy. The policy package would be developed in partnership with those campaigns.
3. An organizational infrastructure—composed of the organizations and community members who are already fighting to increase equity, rebalance power, and lessen injustice—to carry the policies forward.
4. A narrative that will win public and legislative support for the policies.

Developing this recession-preparedness kit won't be easy. We will need to foster agreement in and engage a wide range of people involved in existing worker power and racial equity campaigns. And we will need to wrest control of the narrative from those aligned with the top 1 percent, who successfully peddled false narratives about the causes of the last recession.

Building an 'Economic Patriot Act'

Rather than lay out my proposal for a definitive list of policies that should be part of the recovery, I am interested in exploring our disposition toward, methodology for developing, and preparedness to implement that package of policies.

Clearly, we broadly need countercyclical investments of grand proportion, directed at the people most likely to put that money back into the economy. We need a package of policies that will end the recession—yes. But the package must include bold policies to disburse economic and political power among our citizens (most broadly defined). We need to prepare a policy package that is an economic counterpoint to the right wing's opportunistic attack on democracy, known as the Patriot Act. The Patriot Act of 2001 was a package of policies that different right-wing organizations and individuals had been trying

to win for some time, bundled together at a time of crisis—9/11—and moved with the support of people who ordinarily would not support such measures. The proponents of the Patriot Act did not stop because it was polarizing. Indeed, that it was polarizing demonstrated that it spoke their values plainly. And, because the nation was in the midst of a broadly felt crisis, policymakers who would ordinarily have blocked these measures signed on instead.

I propose that our disposition toward our recovery package be similarly bold and broad, though grounded in *our* core values of democracy and equity—an attack on plutocracy. Many power-building organizations and think tanks have led and participated in campaigns for well-designed policies that belong in this package. We should design the policy package by drawing on these existing policies and working with their proponents to develop recession-ready versions that will be building blocks for the long-term victories. By weaving these solutions into our education efforts and narrative, we can get a head start for creating both the policy and the politics to win the next recovery. But we need to get started now. Waiting for the next recession to hit will be too late.

While most economists do not believe the U.S. economy is at imminent risk of a recession, we must urgently prepare the policy and organizing worlds for the next round of recovery efforts in order to avoid repeating the mistakes of the past—especially those made during the response to the Great Recession.

If we wait until we are clearly on a path to recession—or worse, already in one—we will not have laid the groundwork for a recovery that will reduce inequality; we will be reacting rather than responding. To have a just recovery, we need all four components of the recession-preparedness kit in place. This kit will help move policymakers who do not currently share the belief that we can create a just recovery through countercyclical fiscal and monetary policy (i.e., policies that increase spending to combat low demand). The kit will also provide policymakers who already are aligned with these policies the tools they need to move the policies forward. Further, by laying the groundwork now, we create an infrastructure for activating an engaged constituency when the next recession begins.

This effort needs to focus on shrinking the disparities in wealth and income among races in order to achieve a robust and just recovery. Those disparities have arisen from and grown because of deliberate decisions made over time, often—though far from exclusively—in moments of financial crisis. The disparities create a multigenerational and entrenched set of economic constraints on communities of color, especially Black and Brown communities. Without our focus on

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addressing these disparities, we will certainly not begin to eliminate them; we may well exacerbate them.

In this preparatory moment, three target constituencies to engage are 1) the advocacy, activist, and policy organizations and community members who are already working for change that can contribute to a robust and just recovery; 2) the policymakers, candidates, and funders who hold (or will hold) positions to implement a recovery plan; and 3) the media, which will both communicate the narrative and explain the plan to the public and policymakers.

Engaging with community-based and policy organizations that can provide a policy framework and organizational infrastructure

The wide range of issues now being debated as serious political possibilities shows the great potential for progressive campaigns to chart the path of more equitable and just recovery.

At the city, state, and federal level, organizations are campaigning for an expansive set of policy solutions to safety net failures, wealth and income inequality, racial wealth and wage gaps, and eroding worker power. As they do this, they are articulating a set of values that can inform the policy package for a just and robust recovery from the next recession. In brief, they argue that everyone should have access to the services and security that wealth ensures—childcare, education, housing, health care, and retirement. By providing this access, we can free up people’s income to cover their daily expenses, enrichment activities, and to go toward building their personal safety nets through savings. Such organizations also call for balancing power in the economy—through a more progressive tax structure, a primary mandate to achieve full employment, greater worker rights, and public financing of elections. An economy with equitably distributed power creates a healthier and more democratic economy, one that functions to move resources to where they are needed so that the greatest number of people can thrive.

Following are descriptions of campaigns that can serve as a policy and organizing resource for our recession-preparedness kit:

- **Child care for all.** Child care is currently too expensive and too scarce.¹ Investing in universally available, affordable, high-quality child care would make it possible for parents to work, attend school, or participate in training programs, while providing children with a strong foundation for later learning. Ensuring that jobs in child care become high-quality jobs with living wages and benefits yet are still jobs that can be held by existing child care providers would move a critical workforce—disproportionately made up of women of color—out of poverty.²

- **Corporate governance reform.** The ability of some financial firms to overleverage themselves to buy out companies that provide housing, services, and goods jeopardizes the customers and the workers of those companies.³ Some people even point to the coming due date of much of that overleveraged debt as a predictor of the next recession.⁴ Laws and regulatory oversight that limit the amount of debt these firms can take on and require them to honor the financial obligations to workers and communities would begin to rein them in.⁵
- **Credit fairness.** While credit can provide access to wealth-building opportunities (such as owning homes or growing businesses) and can serve as a vital safety net in emergencies, too often the terms under which it is offered strip wealth from working, low-income, and Black and Brown communities, whom creditors target with predatory products.⁶ Additionally, the current privatized system of credit ratings—with consumer credit information as the products and creditors as the customers—compounds the effects of predatory lending by holding borrowers solely at fault for the risky practices of lenders. Work to further regulate lending⁷ and to create a public credit registry⁸ would contribute to refocusing the financial sector on its core function of gathering and distributing money to where those resources are most needed.
- **Debt-free college.** Public higher education can help prepare U.S. residents to participate in both our economy and our democracy, but only if people can access it. States have been divesting from their public education systems—offloading much of the cost onto students in the form of higher tuition and fees—over the precise period that their student bodies have become the most racially and ethnically diverse in history.⁹ We need to return to a level of investment that ensures no student is barred from going to college by the cost alone or punished with a huge debt burden by going to college. The work to structure debt-free college (including mechanisms to cover nontuition costs) through state and federal partnerships would ensure that folks can access both their community colleges and state universities, as well as the training programs that can help experienced workers retool for new industries.¹⁰
- **Full employment.** In a full-employment economy, one where employers must compete for workers, workers have greater bargaining power individually, which helps generate better wages and benefits. The Federal Reserve is mandated to generate policy and take action with full employment as a goal; but policymakers often stop short of achieving this goal out of unfounded concerns over inflation, even though consumer price growth has largely undershoot the Fed's 2 percent target for most of this economic recovery. In addition, as industries have become more concentrated—with just a couple or a few big players vying for customers and workers—workers' bargaining power remains weak, even as the labor market tightens.¹¹ Making full employment the primary mandate for the Federal Reserve¹² and strengthening, updating, and enforcing anti-trust laws would begin to rebalance corporate power.¹³
- **Health care.** Health is a human right, fundamental to our ability to exercise any other right, liberty, or responsibility. The effort to win and defend the Affordable Care Act (ACA) has demonstrated the power of the organizations that have been fighting for

health care for all, the opportunity to mobilize new people through policy wins, and the need for sustained infrastructure to move to victory. The ACA has been an important step to normalizing the expectation of access to health insurance, and the various conversations around Medicare for All aim to extend that expectation to access to health care.¹⁴

- **Home guarantee.** Everyone in the nation should have an affordable, safe home. Yet, too many people dedicate a disproportionate amount of their paycheck to housing. There is not enough affordable and deeply affordable housing (housing for median to low- and no-income families) to alleviate this housing burden. Campaigns across the country are taking on the need for significant investment in developing and renovating affordable and deeply affordable rental properties, creating meaningful rent controls, protecting homeowners from foreclosure, and protecting against the pressures of gentrification. In addition to creating housing, this investment would create high-quality jobs.¹⁵
- **Infrastructure modernization and climate change mitigation.** Infrastructure is one of the most basic responsibilities of government, yet infrastructure investment has fallen way behind. Efforts to improve public transportation, fix water pipes, expand broadband, and wean economic activity rapidly off of fossil fuels are making real headway in cities and states.¹⁶ The role of the federal government is critical, as much of the funding for infrastructure flows from the federal government.¹⁷ And, the proposed Green New Deal is an example of a package of policies designed to direct that infrastructure investment toward creating both the infrastructure for the 21st century and the quality jobs to match.¹⁸
- **Fair taxes.** Our tax structure generates some of the resources for us to do the things we can only do together—things like providing education, ensuring the social safety net, investing in infrastructure, and protecting our health and environment. But it also enacts our values about the structure of our country. A tax structure in which everyone participates equitably—a more progressive tax structure—both advances an equitable society and ensures that we have the resources we need to ensure that the greatest number of us can thrive. The current tax structure—reformed hastily in 2017 in explicit response to wealthy donors¹⁹—boosts the outsized power of the wealthy in both our economy and democracy, as it starves the very programs that help catch those of us who are struggling—for instance, supplemental nutrition and health care programs. The success of the Tax March demonstrations in early 2017 and the overwhelming—and bipartisan—opposition to the tax cuts of late 2017 demonstrate an appetite for a fairer, more progressive tax structure. Growing support for some kind of wealth tax also reflects the shifting political winds in Washington.
- **Worker protections.** The protections that all workers should be able to rely on—including the right to organize together into a union, the minimum wage and overtime pay, and healthy and safe workplaces—have eroded with the outsized power of corporations and capital.²⁰ And with the adoption of austerity, some governments at every level have outsourced good public-sector jobs (disproportionately held by Black workers) to lower quality private companies.²¹ The

work that unions and other organizations have done to regain some of these protections and to reimagine the worker protections needed for the 21st century is robust.

These active areas of policy debate present long-term solutions to chronic problems. They also engage the same people—community leaders, activists, and organizers, as well as policy wonks—we will need to mobilize in a recession. I am excited by the prospect of building a broad coalition of these different constituencies to prepare for the next recession. The resulting “recession response” coalition could learn from various previous efforts, such as Health Care for American Now (HCAN), the grassroots coalition that campaigned to pass, protect, and promote the ACA and Fed Up, a campaign calling on the Federal Reserve to adopt pro-worker policies such as prioritizing full employment and rising wages. These campaigns offer lessons on organizing infrastructure and popular education that the coalition could use to develop and roll popular education curricula for each of the constituencies. Following are some of the topics that an engagement curriculum around the next recession could explore:

- What are recessions and what typically causes them?
- How are recessions experienced in communities around the country?
- What is “countercyclical fiscal policy”? (Hint: It’s spending on things such as unemployment benefits that automatically kicks into higher gear when the economy is in decline.)
- How could current campaign efforts contribute to countercyclical fiscal policy, and what would be the acute, recession-ready version of the policy goals of these campaigns?
- What cross-organization communication, capacities, and resources do we need in order to mount a rapid and effective push for a robust and just recovery (and how much will it cost)?
- Who are the various decision-makers in a recession (local and state governments, Congress, the president, the U.S. Treasury, the Federal Reserve, and others)?

This process should provide everyone—community leaders, activists, organizers, and policy wonks—with opportunities to provide their expertise and to learn from one another. The coalition should aim to provide train-the-trainer resources for partner organizations to reach into their memberships, guidance on narrative and messaging for use in ongoing campaign work, and communication between the collaborative and its members to inform the shape of the recession-preparedness kit.

Engaging with policymakers, funders and donors, and media representatives

When the coalition is up and running, a prime order of business is to educate policymakers and candidates. This education would include small meetings with policymakers and their

staffs; webinars, briefings, and convenings; and briefs, FAQs, and white papers, all with an eye toward equipping them to understand the language and concepts of the economics of recessions, as well as the break-glass-in-case-of-emergency policies to stave off a recession and provide rapid relief to communities.

Certainly, raising funds for mobilizing pro-equity recession-fighting initiatives (including partners' time working on the coalition) would be an important goal for funder and donor engagement. However, it will also be crucial to make sure that funders and donors support the analysis of what makes a robust and just recovery, understand the need to invest in the campaign infrastructure of the ongoing efforts that will feed into the recovery campaign, and invest in the preparation of resources for the period of rapid response activity during the recession. In other words, engagement of funders and donors should center around making sure there are sustained resources for the various existing campaigns, as well as generating resources for the coalition itself.

In addition to mapping the fragmenting and diversifying media landscape, this preparatory time offers the opportunity for longer term development of reporters' and commentators' analysis of the economy. This preparation would include individual meetings with reporters about the possible impacts of a coming recession on the beats (by issue and geography) they cover, from the various perspectives of the collaborative. In addition, briefing screenwriters, show runners, and social-media influencers about the story of the economy, the next recession, and the just recovery could be productive. I'd look to our communications professionals for guidance on this.

Wresting control of the narrative

We need to wrest control of the narrative in order to win the policies that will better the lives of people in communities throughout the nation. The story frames the response. Some of the narratives that drove some of the responses in the last recovery were false and exceedingly harmful. But by reviewing how they were developed and promoted, we can build narratives to help ensure that the responses to the next recovery increase equity and equality.

The misleading narrative of the last recession

In "Narrative Economics," a 2017 working paper that serves as the basis for his forthcoming Princeton University Press book of the same name, Robert J. Shiller explores the relationship between narratives with popular currency and the major financial crises of the 20th and 21st centuries.²² Following Shiller's thesis that narrative both matters materially and plays a role in priming our approach to financial recovery, I argue that the dominant narratives of the Great Recession emphasized individuals' failure to regulate their own greed and reflected a fundamental belief in trickle-down economics. While financial deregulation and racial discrimination played important roles in creating both the bubble and the bust, these factors were not part of the central narrative.

Shiller points to the TV show *Flip that House* as a cultural touchpoint or reference that helped shape the narrative leading up to the financial crisis and thus how the public and policymakers understood the financial crisis. The show premiered in 2005—ironically, after homeownership for Blacks and whites had peaked.²³ It followed people who invested in real estate, improved their properties some, and flipped them for big profits. I suggest that this show established a narrative arc that later images of foreclosed McMansions slotted into—a narrative that the crisis was fueled by people who wanted an extravagant lifestyle they just could not afford.

Missing from that narrative, however, was the significance of refinancing in the subprime mortgage crisis. A lot of the subprime mortgages were for refinancing, and often the people who refinanced with risky instruments were experiencing stagnant wages, increased costs of living, and misrepresentations about the structure of the refinanced mortgages (such as the terms of the very high interest rates on the loans).²⁴ As lenders sought new customers, they steered those new clients—especially Black and Latino ones—into inappropriately risky products instead of more traditional loans for which they may have qualified.²⁵ And, some of risky products had the imprimatur of Fed Chairman Alan Greenspan, who opined in 2004 that “many homeowners might have saved tens of thousands of dollars had they held adjustable-rate mortgages rather than fixed-rate mortgages during the past decade, though this would not have been the case, of course, had interest rates trended sharply upward.”²⁶ (He made this statement right before the Fed began steadily raising the federal funds rate—which drives mortgage interest rates—from roughly 1 percent in early 2004 to over 5 percent at the end of 2006.²⁷) Then, after the lenders convinced new clients to take on the risky mortgages, the lenders offloaded that risk through their banks’ investment arms, which the banks had been able to acquire or develop because of financial deregulation during the presidency of Bill Clinton. (Legislation enacted in 1999 repealed the Glass-Steagall Act, which had separated commercial banking and investment activities in response to the Great Depression.)

In the aftermath of 2007–2008, many opinion pieces in the press centered on how a generation of young hotshots in finance missed the critique in Oliver Stone’s movie *Wall Street*, in which financier Gordon Gekko proclaimed, “Greed is good.” After the financial crisis, we learned the names of the individuals responsible for the exotic financial instruments (such as mortgage-based securities and derivatives) that amplified the mortgage crisis. Both individually and as a group these individuals were cast as irresponsible, greedy, ne’er-do-wells but also as too smart for their own good. This narrative elides the role of deregulation under President Clinton—although ultimately, re-regulation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was a victory of the recovery effort.

And, in the wake of the Great Recession we heard a lot about the individuals who took out mortgages they could not possibly pay off. Indeed, in light of the bursting of the subprime mortgage bubble, the people holding those mortgages were also cast as irresponsible, greedy, ne’er-do-wells cutting corners in an attempt to keep up with the Joneses. They, however, were often cast not as too smart for their own good but as too ignorant for their own good, hastily agreeing to mortgages they didn’t read closely enough to understand. This narrative elides the ways that lenders specifically targeted these

folks—disproportionately Black and Latino—and misled them about risky products, even when they qualified for prime mortgages. The narrative obscures a crucial part of the story—that ordinary families were trying to keep up with the rising cost of living on stagnating wages by using the safety net available to them—their rising home values. And so, the dominant Great Recession narrative arc resolves (reasonably and falsely) with Black and Brown homeowners’ bearing responsibility for having lost the value of their one asset.

So what kind of a recovery did that narrative help shape? We know now that inequality got worse in the fallout of the recession and that the recovery was exceedingly slow and much slower than it needed to be.²⁸

The income inequality suffered by working people of all races during the Great Recession had a long tail, as people replaced their pre-Recession jobs with work that paid less.²⁹ Wealth and wage inequality by race and ethnicity grew for many reasons. First because deregulated lenders targeted Black and Brown communities for these wealth-stripping mortgages, these communities began experiencing foreclosures—even well before the run by the banks to exit the exotic products they’d constructed to keep monetizing this debt. Second, the jobs crisis that the financial crisis created hit these same communities disproportionately. In summary, these Black and Brown communities found their wealth stripped and their incomes vulnerable.

Inequality got worse in the fallout of the recession and the recovery was exceedingly slow and much slower than it needed to be.

Despite these facts, the stories that framed the Great Recession made the case for shoring up the banks but not for shoring up homeowners. The financial sector was cast as a victim of its hotshot innovators-gone-rogue and of the borrowers. So, the success of the recovery was logically (within this narrative) tied to the health of the financial sector. Although the economic case for a jobs intervention was strong, the narrative casting of the financial crisis as a Great Recession, the Great Depression-lite, laid the groundwork for a less focused jobs intervention than was actually advised. But once the identified “problem” of the recession (financial markets) was solved by summer 2009, it sapped the case for a laser focus on repairing the labor market. Likely as a result, we had the slowest jobs recovery of any recession since the end of World War II.³⁰

The narrative we need to have in place for the next recovery

As organizers and policy wonks have no control over the development of certain cultural touchpoints like the TV show *Flip That House*, I am a realist about our ability to wrest full control of the narrative of how our economy works. And yet, I think that it is vital that groups working a more just recovery from the next recession align around our core

narrative and aggressively move it out among the core constituencies and audiences cited earlier.

I propose three pieces of the story that I believe we must commit to in order to structure a robust and just recovery.

1. Inequality in the United States is undergirded by race.
2. These inequalities have been created and perpetuated by decisions and practices that policymakers made in the past and continue to make.
3. The problem of inequality is not only an income problem but also a wealth problem.

Race must be a part of the inequality narrative

Constraints on how groups of people are allowed to participate in the economy—as workers, consumers, owners—function to reserve and expand the economic *and political* power of the already economically and politically powerful.³¹ Often, racism has been deployed to justify such limitations, even when those limitations hurt nonwealthy white people too.

Consider the original state campaigns for so-called right-to-work (RTW) laws, which are “designed to drain workers’ collective resources by requiring unions to provide representation to people who make no contribution to sustain the union.”³² In states without such laws, when workers who are covered by a collective bargaining contract (and gets all its protections) choose not to be union members, they pay a share of what would be paid in union dues to cover the protections they receive. RTW laws do away with mandatory fair share fees, which means unions have diminished resources to fight for things such as better wages. Research by the Economic Policy Institute shows that today, working people across races and ethnicities face a 3.1 percent wage penalty in states with these laws—meaning their wages are 3.1 percent lower than wages in non-RTW states, controlling for individual demographic and socioeconomic factors as well as state macroeconomic indicators. That amounts to an annual wage loss of \$1,558 for a typical individual working full time all year.³³ When an oil industry lobbyist first coined the term “right to work” in 1936, seeking to protect profits, he explicitly and publicly appealed to white supremacist fears: “White women and white men will be forced into organizations with black African apes whom they will have to call ‘brother’ or lose their jobs.”³⁴ The racist case in favor of economic constraints hinges on the protection of social capital exclusively (or nearly exclusively) for white people. The economic disadvantages borne by Black and Brown people result from a systematic denial of the social capital that would expand access to the loose social networks that lubricate daily life through “norms of reciprocity and trustworthiness.”³⁵ But racist ideology also recruits the economic and social inequality it perpetuates as a rationale for white working people to fiercely protect their race-based social capital at the expense of economic gains.

Whether we name race or not, the economically and politically powerful are weaponizing it in divisive and destructive ways to buoy white support for the people and policies that will further concentrate their power. As the Tea Party was ascending, Barbara Ehrenreich and

Dedrick Muhammad wrote an op-ed for *The New York Times* that posited, “What do you get when you combine the worst economic downturn since the Depression with the first black president? A surge of white racial resentment, loosely disguised as a populist revolt.” The article went on to describe ways those opposed to health care reform were using “white grievance” to depict health reform as “a stealth version of reparations for slavery.”³⁶ The Race-Class Narrative project—jointly conducted by communications expert Anat Shenker-Osario, *Dog Whistle Politics* author Ian Haney Lopez, and the research and policy organization Demos³⁷—found that the right wing consistently binds together ideas and feelings of racial fears, economic resentment, and disgust with government.

When we try to counter this racist class narrative with just a race or a class narrative, we lose. The Race-Class Narrative project found that people who are neither aligned nor *not* aligned with progressive policies are holding two ways of understanding the world *at the same time*, and their support for one or the other is largely determined by which side they have heard most recently or most often. So, we have to explicitly name race and counter those that would use race to divide us in order for our shared aspirations and economic interests across race to resonate. This naming does not introduce a new view of the world to this group so much as activates one way of understanding the world that they already hold—and tamping down another. In other words, by staying silent on race, we cede the ground to the divisive, strategically racist narratives that would divide working people against their shared economic interests.

So, to counter the racist class narrative, the Race-Class Narrative initiative binds ideas and feelings of cross-racial solidarity, aspirations to shared prosperity and racial justice, and a government that works for all of us. This narrative offers a broad and inclusive sense of who “we” are in our national community and explicitly confronts the world view presented by the right wing.

The narrative must acknowledge that deliberate decisions drive inequality

The economy is not the weather. The concentration of wealth, racial inequalities, recessions—these things are not natural; they are not bound to happen. Together, we make—and have made over time—collective decisions that drive us toward or away from each of these destructive outcomes, and we have to make sure to tell the story of what got us where we are. We have to tell the story of how we created the disparities that we note—of the decisions and deciders that have made the disparities a reality. And we have to note how economic disadvantage and social deprivation (the removal of social capital) compel each other and undermine our democracy.

The wealthy and powerful can split white working-class folks from their economic self-

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interest by threatening their social advantage. Notably, this does not mean that these people are voting against their self-interest—they are protecting their social advantage, which speaks not only to comfort with access to certain cultural knowledge or particular social spaces but also the assumption of belonging in unfamiliar spaces and of protection by the police.

When we don't tell the story of the decisions that drive inequality, we leave it to the listener to fill in the blanks with the "information" they have. For example it is not enough to note that median white household wealth is 10 times as high as median black household wealth. Without the real story, the imagined story of the 10-to-1 ratio of white-to-Black wealth could morph into a story about deservedness versus undeservedness, good work ethic versus laziness, or foresight and responsibility versus immediate gratification and irresponsibility. It will not necessarily be the real story: how wealth that has been gifted to some has been stripped from others through such mechanisms as slavery, land grants, Jim Crow, redlining, and transportation investments.

The narrative must acknowledge wealth inequality as well as income inequality

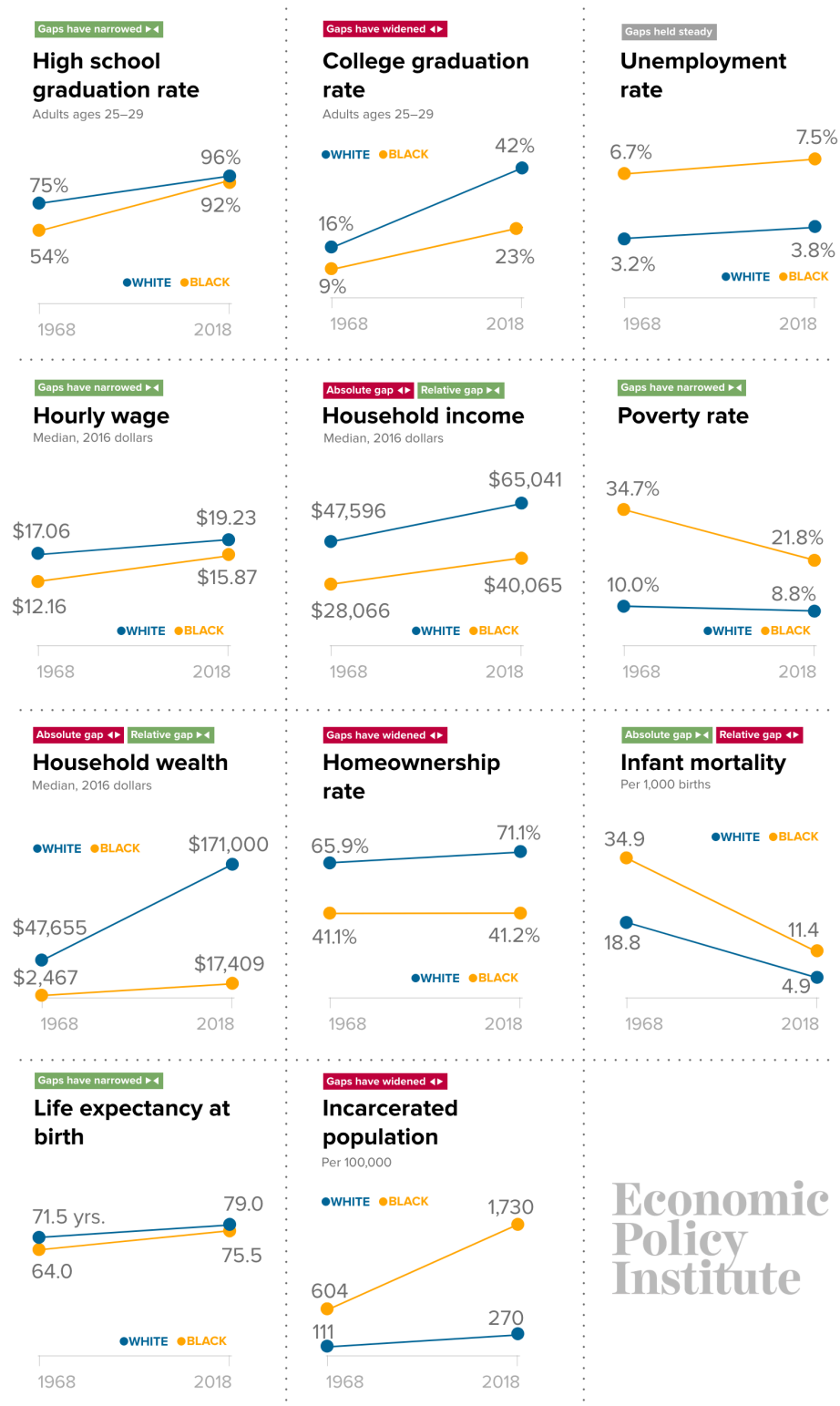
A view of the historic roots of current racial disparities demands a recession-response narrative that considers wealth inequality as well as income inequality. Wealth reflects what you own; income reflects what you bring home. If you have wealth, you are in a better position to convert income into wealth, to have that wealth compound, and to pass wealth along to future generations to give them a leg up. But for communities that have had their wealth stripped generation after generation—by laws and practices—wealth continues to be elusive. Recession-response policies that address only wages will mean that much of the recovery investment will slip right through the hands of nonwealthy people (decidedly more likely to be Black and Brown folks) and into the hands of people who already have wealth (disproportionately white folks due to the same policies and practices).

Figure A reproduces an infographic prepared by the Economic Policy Institute to highlight ongoing racial disparities 50 years after the Kerner Commission delivered a report to President Johnson examining the causes of civil unrest in African American communities.³⁸ The figure shows that the road to a more robust, just, and equitable recovery calls for action on multiple fronts: reining in the concentration of wealth and power by restructuring the tax code, implementing public financing of campaigns, and limiting executive compensation; providing families with the things that wealth provides, such as high-quality, well-resourced childcare, education, housing, health care, and a secure retirement; investing in the things that accelerate wealth generation, such as transportation infrastructure, broadband, and healthful and safe environments; and ensuring the availability of jobs that allow workers to thrive. Our vision of a just recovery can lay the groundwork for a more equitable economy.

Figure A

Our nation still has a long way to go in a quest for economic and racial justice

Social and economic circumstances of African American and white families, c. 1968 and c. 2018



Economic Policy Institute

Source: Adapted from Table 1 in Janelle Jones, John Schmitt, and Valerie Wilson, *50 Years After the Kerner Commission: African Americans Are Better Off in Many Ways but Are Still Disadvantaged by Racial Inequality*, Economic Policy Institute, February 2018. Values are for 1968 and 2018 or closest year for which data are available

Economic Policy Institute

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14. [Health Care for America Now \(HCAN\)](#) is a national grassroots coalition that ran a campaign to pass, protect, and promote the Affordable Care Act (ACA) and is now seeking to preserve America’s health care. HCAN resources available online include [fact sheets](#) and [reports](#).
15. See reports published by the Center for Popular Democracy’s [housing justice campaign](#) and the fact sheet prepared for the “[People’s Hearing on Housing](#)” prepared by the nonprofit People’s Action.
16. Two such efforts include Millions of Jobs (<http://www.millionsofjobs.org>) and We Make This City (<http://wemakethiscity.org>). Millions of Jobs focuses on a federal jobs and infrastructure investment campaign that creates “millions of jobs, puts 21st-century public investment first, advances economic equity for historically disenfranchised Americans, and protects the environment.” We Make This City, an initiative of The Partnership for Working Families, is a multicity effort to ensure that communities (with impacted communities in the lead) control infrastructure and that infrastructure remains public and helps existing communities thrive.
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