

# RACE • WEALTH • COMMUNITY

## ADVANCING INCLUSIVE ECONOMIC EMPOWERMENT

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### Letter from NCRC's Chief of Race, Wealth and Community



As we approach an unprecedented election during this COVID-19 health and economic crisis, the Race, Wealth and Community team at NCRC is going through a major restructuring. NCRC's Fair Lending and Fair Housing Department is leaving the RWC division and is being placed under NCRC's Office of General Counsel. The National Training Academy and Housing Counseling Network are now a part of RWC. Even amidst all of this change our work continues, our former intern and now research consultant, Kathy Ramirez, was featured in a University of California, San Diego Student Affairs first-generation student profile. We published a racial wealth snapshot and opinion editorial on the socio-economic statuses of immigrants, and are developing a new Racial Economic Equality Department. I moderated a conversation with William "Sandy" Darity and Kirsten Mullen discussing the potential implementations of reparations for Black Americans to address the racial wealth divide. We want to keep you up to date what's happening around the racial wealth divide. We encourage you to follow us on social media and listen to our [podcasts](#).

Sincerely,

Dedrick Asante-Muhammad, *Chief of Race, Wealth and Community*

### First Generation University Graduate: Kathy Ramirez

Recently, the University of California, San Diego Student Affairs Department featured Kathy Ramirez, former RWC Fall 2020 intern and current consultant, as a first generation college graduate. Kathy graduated with a Major in Political Science and Minor in Communications from John Muir College, UCSD. Here's some of what Kathy had to say about her college experience: My proudest moment from my time at UCSD is being accepted into the UCDC program and interning at the National Community Reinvestment Coalition (NCRC), a non-profit organization with their Race,

and Community division under their advocacy program.

Throughout my internship, I became a co-author for two op-eds with my supervisor Dedrick Asante-Muhammad "Racial Wealth Snapshot: American Indians/Native Americans" and "The Economic Reality of Native Americans And The Need For Immediate Repair." As a young Latinx person and daughter of immigrants, this accomplishment contributed to having my family and my sacrifices validated."



### About Race, Wealth and Community

Using innovative asset-building strategies and advocacy, the team seeks to grow and transform wealth-building opportunities, particularly as it relates to housing and business to end historical economic inequality. Through counseling, education, training, specialized programs and direct services, the Race, Wealth and Community team develops creative solutions and platforms to promote economic security, and a more holistic understanding of wealth creation focused on the public good. We're aiming for a society where wealth and its growth advance the nation as a whole, including historically disenfranchised racial and ethnic groups.

# TEAM HIGHLIGHTS

## Race, Wealth and Community

For the last time, we will highlight the work of Fair Housing and Fair Lending in our newsletter. RWC continues to house the DC Women's Business Center, which consists of Project Director Heidi Sheppard, Communications Specialist Sade McCoy and Small Business Consultant Autumn Bailey. The DC WBC is in the process of hiring two additional positions, including a Resource Coordinator and a Small Business Specialist.

### Fair Housing

- In early September, Tracy McCracken, Director of Fair Housing, and Ali Lederer, Director of Fair Lending, conducted the Fair Housing Organizations Initiative (FHOI) training for testing coordinators around the country.
- Tracy McCracken also recently moderated "Lead Paint and Beyond: The Intersection of Health, Housing and Race" for Baltimore City Fair Housing following a showing of Finding Justice: The Lead Paint Crisis.
- NCRC recently filed a HUD complaint against a housing provider based on the results of fair housing testing. In September, the complaint resulted in a \$12,500 settlement.

### Fair Lending

We released our fair lending discrimination report, "Discrimination within the PPP," on July 15, 2020. Our results indicate that the troubling disparities that our testing detected prior to the COVID-19 pandemic continued with implementation of PPP lending. Our findings show that there were statistically significant disparities between the groups of testers using the chi-square difference test across the marketplace. We found: A difference in levels of encouragement in applying for a loan; a difference in the products offered; a difference in the information provided by the bank representative. In addition, an analysis of matched-pair tests where testers requested loans in Washington, D.C., found that in 27 out of 63 (43%) tests there was a difference in treatment with the White tester receiving

more favorable treatment as compared to the Black tester in the small business pre-application arena. Further analysis revealed that Black testers experienced differences in treatment through a difference in the information requested of the tester. In two different tests, Black male testers were offered home equity line of credit (HELOC) products instead of/in conjunction with small business loan products. In 12 out of 27 (44%) tests where we identified disparate treatment as a part of our fair lending review, lenders not only discouraged the Black testers from applying for a loan, but simultaneously encouraged similarly situated White testers to apply for one or more loan products. This "double impact" on minority applicants, discouragement and failure to provide complete information, not only limits minority access to credit, it also damages the credibility of the small business lending community.

### Entrepreneurship

We recently hired Heidi Sheppard, Project Director of the DC Women's Business Center. Heidi Sheppard has extensive experience working to support economic development efforts ranging from entrepreneurial assistance to manufacturing communities to technology transfer. She served on the Partnership Team at the National Institute of Standards and Technology's Manufacturing Extension Partnership (MEP) developing strategic partnerships with other federal agencies to further MEP's mission. She led the Advanced Manufacturing Jobs and Innovation Challenge initiative, a five federal agency effort to grow and

strengthen manufacturing industries in regional economies. While at MEP, Heidi went on a detail to the National Endowment for the Arts where she researched the value of industrial design for small and medium sized manufacturers and co-authored a report, "Industrial Design: A Competitive Edge for U. S. Manufacturing Success in the Global Economy." Prior to her work at MEP, she was the Senior Program Manager for the Maryland Incubator Program at the Maryland Technology Development Corporation (TEDCO). During that time, she was instrumental in expanding both the incubator assistance program and the network of incubator facilities. Her economic development experience also includes working as the Director of the Loudoun County Small Business Development Center (SBDC) and as the Assistant Director of the Lafayette, Louisiana SBDC. There, she provided entrepreneurial assistance to start-up businesses, helping them to write business plans, obtain loans and grow their small businesses. Heidi is an artist, cook and entrepreneur. She founded and operated her own manufacturing company, Endless Pastabilities, and has an MBA from the University of Wisconsin-Madison.



Heidi Sheppard

# AN IMMIGRANT NATION DEFINED BY RACIAL INEQUALITY

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*By Sally Sim and Dedrick Asante-Muhammad*

More than 44 million immigrants live in the United States, comprising about 13% of the population. Immigration to the U.S. has long been a topic of debate: who can come, under what conditions and when? These questions mirror the country's discussion concerning how it sees itself and how it views racial and ethnic groups and various nationalities. Immigrating here is not merely entering into the American dream. It is entering into a classist and racist structure that significantly determines a foreign-born person's socioeconomic future. Stereotypes regarding different nationalities' socioeconomic status reflect the story the nation tells itself about why some are "successful" and others are not.

The United States has more immigrants than any country in the world. Although immigration has always played a vital role in the history and the making of the United States, from the colonial era to the California gold rush and Ellis Island, the country recently saw immigration slow down during the Great Recession. In 2008, the Census Bureau released data from its American Community Survey that reported immigrant numbers were leveling off after years of steadily climbing.

It was only 55 years ago that the Immigration and Nationality Act of 1965 passed, which removed the race-based immigration system that discriminated against non-Northwestern European groups. It was replaced with a preference system based on prioritizing refugees, attracting people with special skills and reuniting family members. Born out of the civil rights movement, the Immigration and Nationality Act of 1965 worked to desegregate our nation's borders and advance racial equality. This was one of the last major pieces of legislation of the mid-20th Century Black freedom struggle. The act continues to undergird the current immigration system and actively shapes the United States' racial and ethnic makeup.

Immigrants come to this country through various pathways: visitation, permanent residency, employment, education, as a refugee, or they enter undocumented. Certain nationalities have a history of obtaining a specific visa. For example, in 2018, Chinese nationals received nearly half of the EB-5 investor green cards. In the fiscal year 2016, India was the leading country in obtaining H-1B visas, a type of classification obtained by foreign workers who perform specialized services in their occupation. Nationals from Mexico led in obtaining H-2B visas, which allows foreign workers to come temporarily to the United States to perform nonagricultural labor and services on a one-time, seasonal basis.

A person entering into the U.S. with specific educational or skill levels shapes the migrant's socioeconomic status and well-being, affecting the way that nationality is looked at as a whole. "Model minorities" are groups of people who come to the U.S. documented with high education levels or specialized skills. The selective immigration of highly educated

nationalities from Asia has broadly put Asian Americans into the "model minority" myth. But among Asian immigrants, there are huge discrepancies and variances to how and why people migrate. For example, 52% of Chinese immigrants who come to the United States have at least a bachelor's degree (only 35% of Americans have a college degree) and many enter via H-1B visas. In contrast, only 17% of Hmong immigrants, who have historically migrated to the U.S. as refugees, have a bachelor's degree.

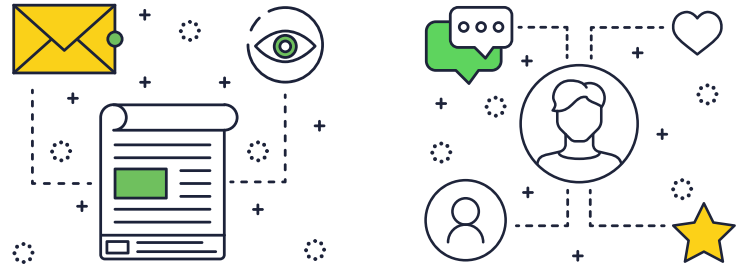
As we have noted, immigrants' socioeconomic characteristics create income, education and employment averages that vary compared to native-born groups. Pew Research Center reported that in 2013, the median household income for Black immigrants was \$43,800, approximately \$8,000 less than Americans overall, but roughly \$10,000 more than U.S.-born Blacks (\$33,500). A similar trend is also true regarding education — 26% of Black immigrants hold a college degree, 4% below that of the overall U.S. population. However, more Black immigrants have a college degree than U.S.-born Blacks (19%). Black immigrant education varies significantly by birth region. About 35% of Black African immigrants over the age of 25 have at least a bachelor's degree. Black South American immigrants follow in second with 25% college degree holders. Caribbean immigrants and Central American immigrants follow, with 20% and 17% of college degree holders respectively.

Asian immigrants are reported to have a significantly higher median household income than overall immigrant households and U.S.-born households. In 2014, the median household income of Asian immigrants was \$70,000, compared to the immigrant household income of \$49,000, and the U.S.-born median income of \$55,000. The household median income of foreign-born Hispanics in 2017 was \$42,200, about \$7,000 less than U.S.-born Hispanics whose household median income was \$53,000. Canadian and European immigrants tend to have significantly higher incomes than the native-born and overall foreign-born. In 2016, Canadian immigrant median household income was \$77,000, and European immigrant median household income was \$64,000.

In terms of income, immigrants mirror racial inequality that already exists in the United States. As previously stated, immigrants are entering into a racial socioeconomic hierarchy reflected in how they are allowed or, in the case of undocumented, not permitted to be in the country. Racial economic inequality is a frame necessary to understand immigration into this country and how it often replicates the racial inequality that is native to the United States. To better understand immigration and the socioeconomic status of immigrants, the National Community Reinvestment Coalition has published a new racial wealth snapshot.

## Media & Press:

- On **September 21, 2020**, Sally Sim and Dedrick Asante-Muhammad's "[An Immigrant Nation Defined By Racial Inequality](#)" was published on NCRC's website.
- On **September 17, 2020**, Sally Sim and Dedrick Asante-Muhammad's "[Racial Wealth Snapshot: Immigration And The Racial Wealth Divide](#)" was published on NCRC's website.
- On **September 15, 2020**, Dedrick Asante-Muhammad was interviewed by hosts of the AFCPE podcast on an episode entitled "[Where Race & Gender Intersect: Why the Wealth Gap is Widening and How to Help.](#)" published on the AFCPE website.
- On **August 19, 2020**, "[Lending Discrimination Faced By Same-Sex Couples In The Mortgage Arena](#)" by Ali Lederer and Jake Lilien was published on NCRC's website.
- On **August 13, 2020**, a report entitled "Lending Discrimination within the Paycheck Protection Program," written by Ali Lederer and Sara Oros, was highlighted in "[Structural racism helps schemers attract Blacks to pyramid scams](#)" in the Telegram.com.
- On **August 5, 2020**, Jamie Buell and Dedrick Asante-Muhammad published "[Can Corporations Walk the Walk on Racial Justice?](#)" on the Bridging the Racial Wealth Divide blog.
- On **July 30, 2020**, Dedrick Asante-Muhammad was [interviewed by CGTN](#) America about the federal reserve's impact on racial economic disparity.
- On **July 29, 2020**, Ali Lederer was highlighted in "[Only 130 Black-Owned Restaurants Received PPP Loans Over \\$150,000, According To A Report.](#)" by Delish.com.
- On **July 28, 2020**, Dedrick Asante-Muhammad was highlighted in "[People of Color Are Facing Economic Devastation While Police Get a Blank Check.](#)" on Truthout.org.
- On **July 22, 2020**, Jamie Buell and Dedrick Asante-Muhammad published, "[Can corporations walk the walk on racial justice.](#)" on Otherwords.com.
- On **July 22, 2020**, Sara Oros published "[Homelessness During COVID and Beyond.](#)" on NCRC's website.
- On **July 18, 2020**, Dedrick Asante-Muhammad was highlighted in "[African Americans got left out of the urban economic boom.](#)" by Truthout.org.
- On **July 15, 2020**, Dedrick Asante-Muhammad had a [conversation on reparations](#) with Margaret Prescod of Sojourner Truth.
- On **July 15, 2020**, the Fair Lending team's small business testing results were highlighted in "[Black applicants faced discrimination in securing PPP loans, study finds.](#)" by Politico.com.
- On **July 15, 2020**, a report entitled "[Lending Discrimination within the Paycheck Protection Program.](#)" written by Ali Lederer and Sara Oros, was highlighted in "[Black Business Owners Had a Harder Time Getting Federal Aid, a Study Finds.](#)" by Nytimes.com.
- On **July 15, 2020**, Ali Lederer and Sara Oros published the report "[Lending Discrimination within the Paycheck Protection Program.](#)" on NCRC's website.
- On **July 12, 2020**, Dedrick Asante-Muhammad published "[The simplest way to close the racial wealth gap? Direct cash payments.](#)" on The Guardian.
- On **July 6, 2020**, Dedrick Asante-Muhammad and Jamie Buell published "[Advancing Corporate Commitment To Racial Economic Justice.](#)" on NCRC's website.



## Presentations & Training Events:

- On **September 29, 2020**, Dedrick Asante-Muhammad participated in a panel discussion with the [Asset Funders Network](#) entitled "Wealth and Health Equity: Investing in Structural Change."
- On **September 25, 2020**, Dedrick Asante-Muhammad participated in the [Advancing Black Strategists' Initiative](#) Advisory Board Meeting.
- On **September 23, 2020**, Dedrick Asante-Muhammad participated in a panel discussion entitled "[How to Implement Reparations in America](#)" sponsored by NYU Wagner and The Century Foundation.
- **September 9-10, 2020**, Tracy McCracken, Director of Fair Housing, and Ali Lederer, Director of Fair Lending, conducted the Fair Housing Organizations Initiative (FHOI) training for testing coordinators around the country.
- **September 9, 2020**, Dedrick Asante-Muhammad [moderated a conversation with William "Sandy" Darity and Kirsten Mullen, authors of "From Here to Equality: Reparations for Black Americans in the Twenty-First Century."](#) The discussion included a clear case for reparations and how reparations should be implemented to ensure they have the needed impact.
- On **August 27, 2020**, Tracy McCracken moderated "Lead Paint and Beyond: The Intersection of Health, Housing, and Race" for Baltimore City Fair Housing.
- On **August 26, 2020**, Dedrick Asante-Muhammad discussed promising practices to address the racial wealth divide at the local level during Jericho Road Episcopal Housing Initiative's 2020 Homeownership Summit.