

## **Ownership the new civil rights agenda**

By Russell G. Redenbaugh and Melissa M. Sharp

As we celebrate the 50th anniversary of Supreme Court's monumental decision of Brown v Board, it is time for us to reevaluate the civil rights agenda in this country. Due mainly to the decision of Brown v Board, the historical civil rights movements around race have worked. They have been incredibly successful. The gap between blacks and whites has been eliminated in many areas for example public accommodation. Unfortunately many civil rights leaders refuse to acknowledge the success of these movements and therefore the real issues affecting minority communities today are not being addressed.

Where the gap between whites and non-whites is still troublesomely large is in wealth. In order for the civil rights movements in the U.S. to continue to succeed we must focus on eliminating the wealth gap. Dealing with the disparities in wealth creation is the only way to move the majority of minority kids from poverty to prosperity, and the first step in building wealth is ownership.

There is a huge difference in owning something and owing someone. Ownership grants owners different freedoms. It's very hard to save your way to wealth. Taxes, inflation, and spending make this nearly impossible. With very little or nothing left over at the end of the month, it is very difficult to open that retirement account or investment account with post tax dollars. In order to create wealth, workers must find ways to make their hard earned money work for them by accumulating assets such as a home and a stock portfolio. If we value ownership and allow workers to control more of their own money, these traditional barriers to wealth creation can be eliminated and therefore every worker can begin to build his or her personal wealth.

Over the past year, a growing economy and low interest rates have produced a booming housing market resulting in a record high 68.6% overall homeownership rate. By promoting pro-growth economic policies and removing the barriers typically faced by families trying to buy their first home, all Americans now have the opportunity to start creating wealth. The wealth gap between whites and nonwhites is narrowing but remains far too wide. Ownership is the key to eliminating the gap. In America 80% of low-income family wealth is held in home owners' equity, and for the first time ever the majority of minority households are now homeowners. New proposals to assist low-income homebuyers in affording down payments and tax incentives for companies to increase the supply of affordable single-family homes will allow more and more Americans to get in the game of wealth building.

Homeownership however is only the first step to wealth creation. Imagine also having the opportunity to own the assets that finance your retirement. Would you prefer this to the present arrangement where the government keeps those assets? Do you think you could do better than the 2% rate of return that the average social security recipient will be paid or the negative 0.9 % return paid to black males (as a result of their shorter life expectancy)? Would you make different choices with the 12.5% of your payroll the government takes for social security taxes? You might invest it in something other than a social security scheme that is backed by the promises of politicians.

Stock ownership after home ownership is the most important gateway to wealth and prosperity. Small amounts saved every month and invested in stocks or bonds can over ones working lifetime grow to princely sums. The president's proposal to partially privatize social security makes this investment option available to those Americans who want to manage their own accounts and allows those who do not want this type of control to stay in the existing system. It gives all working Americans the opportunity to instantly join the investor class

It is important to remember that in all of these domestic policy options ownership is a choice. Taking on the responsibility of owning one's home and retirement funds requires knowledge of the options available with each choice. These are choices that up until recently many Americans of minority communities have not been able to make because they do not have the extra after tax dollars to invest in their futures. These policies open doors and invite lower income workers to start taking more control over their own lives. By

choosing ownership and taking on the responsibility to learn what options are available, all working Americans will have access to participate in wealth building.

These types of ownership policies need to be the focus of the civil rights movement today. If we do not change the ownership rules and possibilities for all Americans the wealth gap between whites and non whites will remain the same. President Bush fully understands this. Ownership in all senses of the word is an important theme that runs through his entire domestic agenda. I encourage all civil rights leaders to get behind these ownership policies so that when it is time to celebrate the 100th anniversary of Brown v Board there will no longer be a wealth gap between whites and non-whites in this country.

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