



Massachusetts
Taxpayers Foundation

Closing the Racial Divide in the U.S. and Massachusetts: A Baseline Analysis

May 2021



Open Letter to Readers

2020 was a year like no other. Over the course of the year, the United States experienced several seismic shifts, any one of which by itself would be a lot for the nation to absorb. As a country, we witnessed the sudden onslaught of a global pandemic which has caused the unthinkable loss of more than 500,000 people in the U.S. alone. In the pandemic's wake, a volatile economy is likely to remain with us until vaccines are widely distributed. Plus, Americans are living through a highly divisive political climate that lingers after what was arguably the most contentious presidential election in our nation's history, the impacts of which will reverberate for a long time to come. Most relevant for this research paper, we have experienced social unrest ignited by the killing of George Floyd, an unarmed Black man, by the police, stemming from the indignation that has been simmering for decades over the unjust treatment of Blacks in the U.S. The Massachusetts Taxpayers Foundation (MTF) is committed to work for progress toward ending the racial divide in the most suitable way we know how – by providing credible data and analyses on this important topic.

This report represents MTF's initial body of research on the roots and realities of racial disparities in our country and our state. It is a critical component of MTF's broader commitment to closing the racial divide. As an organization, we welcome diversity of talent and are working to further expand our leadership and support base. As a mission-driven entity dedicated to fiscal stability, economic growth and opportunity for all, MTF has committed to viewing proposed policies through a racial equities lens in order to ensure that their impacts, intended or unintended, do not further exacerbate the economic divide and the real opportunity gaps faced by Blacks and other people of color. We acknowledge and applaud the new urgency with which change-minded people are taking on this issue, and we look forward to collaborating with MTF's many stakeholders to make measurable progress in this regard.

We have likely left out important data, perspectives and analyses in this report. We apologize in advance for those omissions and will engage in an ongoing dialogue with interested stakeholders to refine our findings. Credit for his outstanding research contained herein goes to Edmund S. Corcoran, MTF's 2020 summer intern from MIT.



Eileen McAnneny
President

Preface

The Massachusetts Taxpayers Foundation (MTF) has a long and constructive history of producing timely, unbiased, informative research on a wide variety of matters that affect the health and wellbeing of our Commonwealth and its citizens. This report is MTF's first foray into the topic of racial disparities. Our interest stems from MTF's commitment to a Commonwealth for economic opportunity for all. Our approach to this report was to research, compile and analyze as much data as we could from credible sources in five key areas—(1) income and wealth, (2) educational attainment, (3) economic opportunity, (4) criminal justice, and (5) healthcare—to provide a snapshot of where things currently stand so we and other change agents can best determine where to focus our efforts. As the saying goes, “We can't improve what we can't measure.” It is our hope that the information contained herein will serve as a critical baseline for measuring progress from this point forward in addressing these seemingly intractable issues. Whenever possible, we attempted to document how Massachusetts, or greater Boston in some instances, measures against the United States as a whole. Suffice it to say that the Commonwealth is far from a national leader in this regard.

We've chosen to begin this report by briefly chronicling progress made on closing the racial economic gaps over several decades, drawing similarities between the summers of 2020 and 1967. We then examine how Boston fares relative to its peer cities and the nation as a whole. Next, we document the pervasiveness of racial disparities in income and employment, criminal justice, education and health care. We end by emphasizing the economic imperative for closing this racial divide, in addition to the moral and justice-based reasons for doing so. We include the impacts of the pandemic, where appropriate, on each of these areas.

Key Findings, Facts, and Figures¹

Our purpose in this report is to catalog current data available on key areas contributing to the racial disparities in our country and state in order to provide a baseline for measuring progress from this point forward.

The key findings, facts and figures from this report follow:

I. The Persistence of Racial Disparity

- In virtually every facet of our society, the data documenting racial disparities in the United States and Massachusetts are abundant and overwhelming. Racial inequality permeates so many aspects of today's world that it is as though people of color and whites live in two different societies, governed by two different sets of rules.
- The lack of progress over the past 50 years in closing this divide, despite the enactment of many policies to do so, is alarming. The policies of the past have been ineffective. New approaches will be necessary if we are to substantially advance the cause of racial equity and economic opportunity for all.

II. Racial Disparities in Wealth

A. Federal Data Confirming the Enormous Disparities in Net Wealth

- In 2019, the median net worth of white families in the U.S. was \$189,100. This is almost eight times that of Black families, whose median net worth was \$24,100.
- Black family head-of-households with a bachelor's or higher have a 30 percent lower median net worth than white family head-of-households without a degree.
- Homeownership among Blacks and Hispanics is substantially lower (34 percent) than among whites (79 percent).

B. Net Worth Disparities in Boston and Massachusetts

- In 2014, the median net worth of a white household in the Boston MSA was \$247,500, while the median net worth of a Black household was \$8.
- At the same time, the median net worth of Black households in the Los Angeles, Miami, Tulsa, and Washington D.C. metropolitan areas averaged \$4,800.

C. The Impact of Boston's Racist Reputation

- In a 2017 nationwide survey, Blacks judged Boston to be the least welcoming to people of color among the eight cities examined. A survey sample representative of the U.S. general population also agreed.
- Boston's reputation has been tarnished by extensive national media coverage of racially tainted policies in busing, stop and frisk policing, and sports.

III. Income and Employment

- In 2019, the median annual income for Blacks and Hispanics in the U.S. was \$40,300 and \$40,700, respectively, significantly less than the \$69,000 earned by whites.
- In 2015, whites in Boston had a median income of \$91,000, more than double the median income of \$41,200 for Blacks.
- During recessions, Black unemployment rates spike and recover only as labor markets tighten. In other words, Black employees are at risk of being "last hired, first fired".

IV. Societal Institutions that Contribute to Disparities

A. Education

- Despite across-the-board improvement over the last 28 years, Black and Hispanic average scholastic performance remains below proficient, while white students have been measured above proficient on average for the past decade and a half.
- Massachusetts Hispanic and Black high school students drop out at a rate of 12.6 and 7.2 percent, respectively, while the dropout rate for whites is 3.2 percent.
- Blacks and Hispanics graduate from college at a rate roughly 13 percent lower than the 77.6 percent rate for whites.

B. Criminal Justice

- Blacks are incarcerated in the U.S. at a rate that is 5.6 greater than for whites.
- Approximately one out of every 25 Black men aged 20 - 54 is in a jail or prison.
- The Massachusetts incarceration rate of Blacks and Hispanics is even higher than in the U.S., with a ratio of Black to white incarcerations of 8:1 and a ratio of Hispanic to white incarcerations of 4.9:1.

¹ Facts and figures in this section are referenced in the full report.

- There are nearly 2.5 times as many whites as Blacks in Suffolk County, yet the county saw more cases of low-level charges taken to trial for Blacks (6,007) than whites (5,752) in 2013 and 2014.
- In 2013, 65.4 percent of people serving sentences for nonviolent crimes in the U.S. were Black and 17.8 percent were white.

C. Health Care

- The percentage of people in Massachusetts reporting a lack of health insurance at some time during 2019 demonstrates that the goal of universal coverage remains elusive, especially for Blacks (11.4 percent) and Hispanics (24.4 percent).
- Blacks and Hispanics more frequently have negative experiences with health care providers (e.g., the provider didn't listen carefully, explain things in a way they can understand, show respect, or spend enough time with them) than do whites.
- In 2018, the ratio of the infant mortality rate between Blacks and whites in Massachusetts was 2.6:1, higher than the national figure of 2.3:1, a disconcerting data point for a state that prides itself on the quality of its health care.

V. The Potential Economic and Fiscal Impacts of Closing the Racial Gap

The long-term benefits of eliminating racial inequities to the state's economy and fiscal health would be substantial.

- Real U.S. gross domestic product (GDP) would have increased by \$16 trillion if racial gaps between Blacks and whites on wages, housing and investments were closed 20 years ago. If the gap were closed today, the nation would see a 1.75 percent increase in GDP over five years resulting from \$5 trillion of additional growth.
- We estimate that Massachusetts gross state product (GSP) would increase by approximately \$25 billion over five years if we were to close the racial divide in wages, housing, investments and wealth.
- MTF estimates that if Blacks and Hispanics graduated from college at the same rate as their white peers, the increased economic activity resulting from higher wages, more state and local tax collections, and reduced public assistance would exceed \$6 billion over the first five years for the Commonwealth. The \$6 billion would swell to more than \$20 billion over

10 years as the cumulative effect of additional college graduates per class grows over time.

- If Blacks and Hispanics graduated from high school at the same rate as their white peers, higher wages and state and local taxes, along with reduced public assistance, and lower incarceration rates would result in nearly \$1 billion in increased economic activity over five years for Massachusetts. Similar to the case with college graduates, the economic impact of higher graduation rates for people of color would compound over time.

VI. What's Next - Examining Inequities, Measuring Change

- More than fifty years ago, the Kerner Commission report concluded: "Our nation is moving toward two societies, one black, one white--separate and unequal." Since then, little has changed. Huge disparities across virtually every measure of economic and social conditions endure. Many have worsened over time.
- The data in this report are abundant and overwhelmingly clear. The findings lead to an intractable conclusion: there exists in our society policies and practices that produce unfair outcomes for some, and harmful treatment of others, based on their race.
- This report describes the breadth and depth of racial disparities to serve as a benchmark to measure progress going forward. Our collective actions are crucial to address institutional racism. But actions must lead to quantifiable progress, which demands data and metrics to measure successes and failures.
- We are excited by the opportunity to work with a wide range of groups and voices to measure progress in these efforts and to help make Massachusetts a true Commonwealth - one society that is united, diverse and equal.

I. The Persistence of Racial Disparities

The similarities between the events surrounding the social unrest during the summers of 1967 and 2020 are as uncanny as they are disheartening. These two periods of massive protests over racial injustice in the U.S. provide a stark reminder of longstanding inequalities, having sparked ongoing debates and efforts to fix a separate and unequal system. Ultimately, comparing and contrasting research findings from the 1960s with today's disparities demonstrates the lack of progress on matters of access and fairness in this country.

During the long, hot summer of 1967, four years after the March on Washington for Jobs and Freedom in support of a civil rights bill, riots erupted in more than 150 cities across the United States. In response, in July 1967, President Johnson established the National Advisory Commission on Racial Disorders, chaired by Otto Kerner, the Governor of Illinois. The Kerner Commission, as it became known, was charged with answering three questions:

- What happened?
- Why did it happen?
- What can be done to prevent it from happening again?

Following several visits to riot-torn cities, the Kerner Commission documented many of the causes for the 1967 riots. Its report highlighted the lack of economic opportunity, frustration from powerlessness, segregation policies, and police brutality. Following seven months of investigation, the Commission offered the following:²

"The abrasive relationship between the police and the minority communities has been a major--and explosive--source of grievance, tension and disorder. The blame must be shared by the total society.

What white Americans have never fully understood but what the Negro can never forget--is that white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condones it."

— Kerner Commission Report, 1968

This is our basic conclusion: Our nation is moving toward two societies, one black, one white—separate and unequal.

It is striking how many of the barriers and disparities that existed in 1967 persist today, over 50 years later. And, as the Kerner Commission documented, many of those barriers existed for decades prior.³

This persistence can be partially explained by the fact that, despite its best efforts, the report and recommendations of the Kerner Commission were largely ignored.⁴ As a result, racial disparities are as widespread today as ever. Or as Heather Long and Andrew Van Dam of the Washington Post recently wrote⁵:

"In many ways, the gap between the finances of [B]lacks and whites is still as wide in 2020 as it was in 1968, when a run of landmark civil rights legislation culminated in the Fair Housing Act in response to centuries of unequal treatment of African Americans in nearly every part of society and business."

Several studies affirm Long and Van Dam's conclusion, finding that little if any progress has been made since the Kerner Commission report was released 53 years ago.

Fred Harris, the former Senator from Oklahoma and sole living member who served on the Kerner Commission, co-edited a book with Alan Curtis, the President of the Eisenhower Foundation, 50 years after the original report. Its findings make clear how little has changed⁶:

"Over the 50 years since the Kerner Commission, we have elected an African-American president. There has been an increase in the number of other African-American and Hispanic/Latino elected officials and an expansion of the African-American and Hispanic/Latino middle class. Yet there has not been nearly enough progress, and, in some ways, things have

² [Report of the National Advisory Commission on Racial Disorders](#), 1968.

³ The Kerner Commission's conclusion began with testimony from Dr. Kenneth B. Clark, a scholar who studied the negative impacts of racism on children. Referring to previous reports, Dr. Clark told the commission: I read that report. . . of the 1919 riot in Chicago, and it is as if I were reading the report of the investigating committee on the Harlem riot of '35, the report of the investigating committee on the Harlem riot of '43, the report of the McCone Commission on the Watts riot. I must again in candor say to you members of this Commission--it is a kind of Alice in Wonderland--with the same moving picture re-shown over and over again, the same analysis, the same recommendations, and the same inaction. The Commission stated, "These words come to our minds as we conclude this report.

⁴ [The 1968 Kerner Commission Got It Right, But Nobody Listened](#), Alice George, Smithsonian Magazine, March 1, 2018.

⁵ [The black-white economic divide is as wide as it was in 1968](#), Heather Long and Andrew Van Dam, The Washington Post, June 4, 2020.

⁶ [Healing Our Divided Society: Investing in America Fifty Years After the Kerner Report](#), edited by Fred Harris and Alan Curtis, The Eisenhower Foundation, February 2018.

gotten no better or have gotten worse over the last 50 years.

- There is still far too much discrimination on the basis of color.*
- We have not made progress on poverty, and much has gotten worse.*
- Inequality has increased, and the rich have profited at the expense of the families of salaried and working people in America.*
- After a dramatic decline in school segregation, especially in the South, discontinuance of desegregation assistance and court orders in many districts, coupled with residential resegregation, has re-segregated public schools.*
- Whereas the Kerner Commission called for 'massive and sustained' investment in economic, employment and education initiatives, over the last 50 years America has pursued 'massive and sustained' incarceration framed as 'law and order,' while the 'war on drugs' has failed."*

More recently, the Federal Reserve Bank of Minneapolis released a report in 2018 that analyzed the triennial Survey of Consumer Finances (SCF) covering 70 years of postwar America.⁷ Their findings tightly align with the Kerner Commission's 50-year update⁸:

"We expose persistent and, in some respects, growing inequalities between black and white Americans. Income disparities today are as big as they were in the pre-civil rights era.

In 1950, the income of the median white household was about twice as high as the income of the median black household. In 2016, black household income is still only half of the income of white households. The racial wealth gap is even wider and is still as large as it was in the 1950s and 1960s. The median black household persistently has less than 15% of the wealth of the median white household. We also find that the [2009] financial crisis has hit black households particularly hard and has undone the little progress that had been made in reducing the racial wealth gap during the 2000s.

The overall summary is bleak. In terms of labor market outcomes, we document that over seven decades, next to no progress has been made in closing the black-white income gap. The racial wealth gap is equally persistent and a stark fact of postwar American history. The typical black household remains poorer

than 80% of white households."

In that same vein, the Washington Post recently reported on gaping inequalities between Blacks and whites on a myriad of issues, concluding that: *"The United States is a vastly different country, depending on the color of your skin."*⁹

Their research showed disparities on a wide range of metrics, including infant mortality rates, maternal mortality rates, median household income, people under the age of 18 in poverty, median net worth, math SAT scores, people aged 25 or older who went to college, arrests of minors age 10 - 17, and adult incarceration rates. Large gaps between whites and people of color permeate virtually every facet of life.

"In many parts of the country, [B]lack and white Americans continue to live in very different worlds. This distinctive feature of American inequality is not an accidental development but rather a result of policy choices."¹⁰

-Patrick Sharkey, Keeanga-Yamahtta Taylor and Yaryna Serkez, The New York Times

Similar findings were presented in a recent New York Times story that revealed wide gaps between Black and white unemployment rates for people over the age of 16, median incomes, life expectancy at birth, homeownership rates, and sentenced male prisoners per 100,000 residents. The story began:

Racial inequality is present in so many aspects of today's life that it is as though whites and people of color live in two different societies, governed by two different sets of rules.

⁷ SCF data covering 1948 - 1977 was collected by the Economic Behavior Program of the Survey Research Center at the University of Michigan.

⁸ [Income and Wealth Inequality in America 1949-2016](#), Moritz Kuhn, Moritz Schularick, and Ulrike I. Steins, Opportunity and Inclusive Growth Institute at the Federal Reserve Bank of Minneapolis, June 2018, p.4.

See also: [Divergent Paths: A New Perspective on Earnings Differences Between Black and White Men Since 1940](#), Patrick Bayer and Kerwin Kofi Charles, Becker Friedman Institute, University of Chicago, June 2018. Analyzes the long-term earnings gap using data from the American Community Survey (U.S. Census Bureau).

⁹ [These numbers show that black and white people live in two different Americas](#), Sergio Pecanha, The Washington Post, June 23, 2020

¹⁰ [The Gap between Black and White America, in Charts](#), Patrick Sharkey, Keeanga-Yamahtta Taylor and Yaryna Serkez, The New York Times, June 19, 2020.

II. Racial Disparities in Wealth

Wealth, in its simplest terms, is defined as the value of assets minus liabilities held by an individual or society. Wealth, in many ways, is a measure of a person’s economic security and can determine one’s position of power in society. If not inherited, it can be amassed largely through income earned from employment; investments in financial assets such as stocks, bonds, and retirement accounts; and ownership of assets such as a home or business. Wealth creates opportunities, affords different choices and freedom from want, and offers the chance to provide children with advantages. For these reasons, it is an appropriate yardstick for economic comparison.

A. Federal Data Confirming the Enormous Disparities in Net Wealth

A key tool for measuring wealth is the triennial Survey of Consumer Finances (SCF) of the Board of Governors of the Federal Reserve, the purpose of which is to understand the financial condition of families across the country. The most recent survey was completed in 2019, with results released in September 2020.

One of the metrics the SCF analyzes is the median net worth of households¹¹, calculated by measuring gross assets versus liabilities. Its report reviews disparities in several asset categories, including finances (savings, stocks and bonds, retirement accounts, cash value life insurance, and more), inheritance and family support, and homeownership. These and other assets are offset by various forms of debt, including mortgages,

credit cards, and educational loans, to determine an individual’s net worth.

In 2019, the median net worth of white families in the U.S. was \$189,100. This is almost eight times that of Black families, whose median net worth was \$24,100. It is also more than five times that of Hispanic families, whose median net worth was \$36,050 (Table 1).

One important predictor of wealth is educational attainment. The 2016 SCF, which measured median household wealth by race and education level, shows that, within a race/ethnic group, there is a substantially higher median net worth when the head-of-household has a bachelor’s degree – and this is especially true for people of color. For example, white families where the head-of-household has a bachelor’s degree have a median net worth four times that of white families where the head-of-household does not have a degree. The ratio of median net worth for Hispanic families where the head-of-household has a bachelor’s degree is 4.5 times greater than without, and for Black families the ratio is approximately 6 times greater.

Black family heads-of-household with a bachelor’s degree or higher have a 30 percent lower median net worth than white family head-of-households without a bachelor’s degree.

- Source: Federal Reserve

Table 1 – Median Net Worth by Race and Ethnicity in the U.S., 1989 - 2019¹²

Date	White, non-Hispanic (US\$ Thousands)	Black, non-Hispanic (US\$ Thousands)	Hispanic (US\$ Thousands)	Other (US\$ Thousands)
1989	143.56	8.55	9.94	72.00
1992	124.60	17.70	12.14	66.41
1995	128.20	18.23	20.87	51.88
1998	150.96	24.38	15.46	60.40
2001	177.50	27.87	16.90	75.82
2004	191.11	27.66	20.80	96.12
2007	211.73	25.92	26.05	75.18
2010	152.88	18.73	19.50	50.31
2013	155.83	14.36	15.15	44.98
2016	181.87	18.24	22.04	68.73
2019	189.10	24.10	36.05	74.50

But parity in educational attainment does not produce parity in income and wealth. Far from it.

SCF research shows that white family head-of-households with a bachelor’s degree or higher have approximately six times greater the median net worth of Black head-of-households with the same educational attainment. Further, as shown in Figure 1,

The fact that an enormous disparity in wealth exists

¹¹ According to the SCF Bulletin, “In the SCF, a household unit is divided into a primary economic unit (PEU)—the family—and everyone else in the household. The PEU is intended to be the economically dominant single person or couple (whether married or living together as partners) and all other persons in the household who are financially interdependent with that economically dominant person or couple.”

¹² [Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances](#), Board of Governors of the Federal Reserve System, September 28, 2020.

even where there is similar educational attainment indicates that there are other factors at play.

Some of these factors include obstacles to career progression and development, barriers to entry for businesses of color that struggle to access capital and contracts, and employment opportunities that provide benefits such as retirement plans and life insurance. In addition, one of the primary causes of the wealth gap is the varying rates of homeownership among different racial groups. When people of color are locked into low wage jobs, excessive housing costs and racial disparities in mortgage markets make homeownership exceedingly difficult. Homeownership among Blacks and Hispanics is substantially lower (34 percent) than among whites (79 percent). This combines with lower housing values and higher rates for mortgages in non-white neighborhoods to make housing inequities a major contributor to disparities in net worth for people of color.

Generally speaking, discrimination in housing and lending practices through redlining, restrictive covenants and federal policies have posed significant barriers for Blacks' ability to accumulate wealth.¹⁴ The Kerner Commission went so far as to state that "... white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condones it."

A line of inquiry that logically follows is: "What role has the federal government played in exacerbating the racial wealth gap?" A McKinsey & Company report¹⁵ lists a timeline of exclusionary practices going back decades. Noteworthy among these are the National Housing Act of 1934, which prevented Blacks from obtaining home mortgages; the National Labor Relations Act in 1935, which permitted unions to exclude Blacks from collective bargaining; and several other laws as outlined in Figure 2 (right).

In explaining how the federal government has continued to fail non-white communities, The New York Times Editorial Board wrote in 2018¹⁷:

"By its actions and failure to act, HUD has prolonged segregation in housing since the 1960s under both Democratic and Republican administrations. The courts have repeatedly chastised the agency for allowing cities to confine families to federally financed ghettos that offer little or no access to jobs, transportation or viable schools."

Figure 1 – Median Net Worth by Education Level¹³

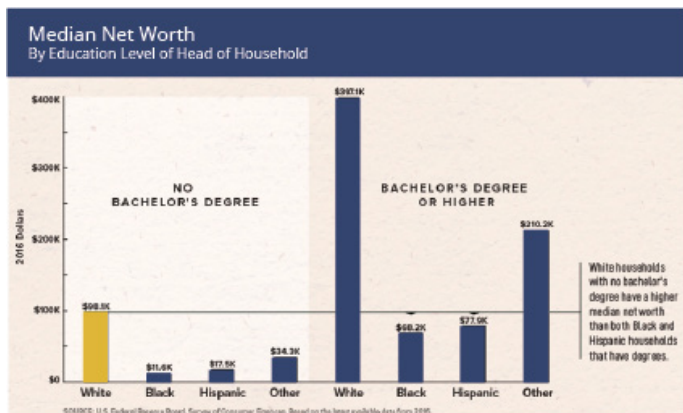


Figure 2 – Median Net Worth by Education Level¹⁶



¹³ [The Racial Wealth Gap in America: Asset Types Held by Race](#), Jenna Ross, Visual Capitalist, June 12, 2020.

¹⁴ [The Color of Wealth in Boston](#), Ana Patricia Muñoz, Marlene Kim, Mariko Chang, Regine O. Jackson, Darrick Hamilton, and William A. Darity Jr., A Joint Publication of Duke University, The New School, and the Federal Reserve Bank of Boston, March 25, 2015, p. 22.

¹⁵ [The case for accelerating financial inclusion in Black communities](#), McKinsey & Company, February 25, 2020.

¹⁶ Ibid.

¹⁷ [America's Federally Financed Ghettos](#), the Editorial Board, The New York Times, April 7, 2018.

In its report, *Racial Inequality, Neighborhood Effects, and Moving to Opportunity*, the Federal Reserve Bank of Cleveland summed it up this way:

We know that the history of intentional segregation, or the physical and social separation of races, played a central role in creating racial inequality in the United States...Legal discrimination at the local and federal levels not only restricted African Americans' ability to move but also diverted investments and resources away from black neighborhoods.^{18, 19}

B. Net Worth Disparities in Boston and Massachusetts

Despite Boston's reputation for forward-thinking and progressive ideas, when it comes to closing the racial divide, Boston falls short of its peer cities – and, by extension, Massachusetts does as well. In fact, we have made considerably less progress than other jurisdictions.

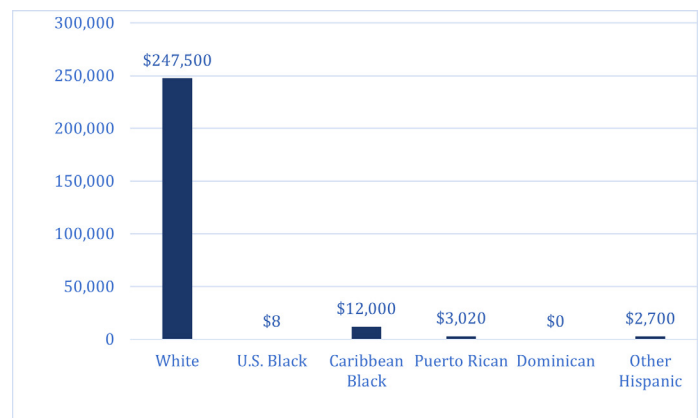
In 2014, the Federal Reserve Bank of Boston partnered with Duke University and The New School as part of an effort to develop the National Asset Scorecard for Communities of Color (NASCC), a survey intended to “reveal the asset and debt positions of ethnic and racial groups whose wealth either is overlooked or inadequately measured by existing surveys.”²⁰ 2,746 surveys were completed across five metropolitan areas: Boston,²¹ Los Angeles, Miami, Tulsa and Washington D.C.

This research has resulted in four published reports to date:

- The Color of Wealth in Boston
- The Color of Wealth in Los Angeles
- The Color of Wealth in Miami
- The Color of Wealth in the Nation's Capital

The results for the Boston metropolitan statistical area (MSA), published in 2015, were stunning whether compared to the nation as a whole or to its peer cities. The Boston MSA encompasses most of eastern Massachusetts where the majority of the Massachusetts population is based, so this information has implications for the state as a whole. The report found that the median net worth of a white household in the Boston MSA²² was \$247,500, while the median net worth of a Black household was \$8 (Table 2).

Table 2 – Median Net Worth of White and Non-White Households in Boston MSA²³



The contrast between the results for the U.S. overall and the Boston MSA is just as stark. The 2013 Federal Reserve Survey of Consumer Finances data (Table 1) indicate that the median net worth of a white household in the U.S. was almost eleven times that of a Black household. That's bad enough; but in contrast, the 2014 NASCC data reveals that the net median worth for a white household in the Boston MSA was 31,000 times that of a Black household.

The wealth gap in Boston relative to the four other metropolitan areas in the NASCC study is nearly as

¹⁸ *Racial Inequality, Neighborhood Effects, and Moving to Opportunity*, Federal Reserve Bank of Cleveland, September 4, 2019.

¹⁹ See also: *The Color of Law: A Forgotten History of How Our Government Segregated America*, Richard Rothstein, 2017 or *The Racial Segregation of American Cities Was Anything But Accidental*, Katie Nodjimbadem, Smithsonian Magazine, May 30, 2017 or *The Ghetto is Public Policy*, Ta-Nehisi Coates, The Atlantic, May 1, 2013

²⁰ *Wealth Distribution in Communities of Color: Evidence from the National Asset Scorecard in Communities of Color (NASCC) Project*, William Darity Jr., Duke University, and Darrick Hamilton, The New School, November 12, 2015. The results are based on a survey of 2,700 respondents from five cities

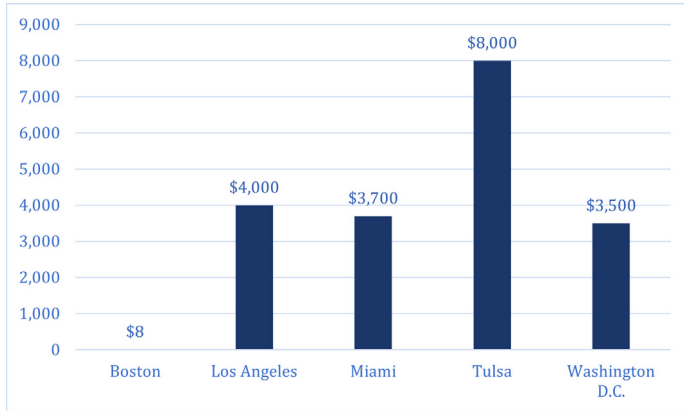
²¹ There were 403 completed surveys in the Boston Metropolitan Statistical Area.

²² Boston MSA comprises the counties of Essex, Middlesex, Norfolk, Plymouth, and Suffolk in Massachusetts; and Rockingham and Strafford in New Hampshire which accounts for over 4.6 million residents.

²³ *The Color of Wealth in Boston*, Ana Patricia Muñoz, Marlene Kim, Mariko Chang, Regine O. Jackson, Darrick Hamilton, and William A. Darity Jr., A Joint Publication of Duke University, The New School, and the Federal Reserve Bank of Boston, March 25, 2015, Table 9, p. 20. The authors note that the: “Difference in findings of nonwhite household median or mean net worth values were statistically significant at the 99 percent level.”

striking. The median net worth across Black households in Los Angeles, Miami, Tulsa, and Washington D.C. was \$4,800 – astonishingly low, yet still substantially higher than in the Boston MSA (Table 3).

Table 3 –Median Net Worth of Black Households in Five Cities ²⁴



C. The Impact of Boston’s Racist Reputation

The fact that Boston has made less progress than other cities or the nation as a whole in closing the racial divide is not a secret. Many people perceive Boston as a racist city, making Boston a less appealing place for minorities to live than many other major metropolitan areas. This may help explain why significant racial disparity gaps continue to persist in Massachusetts.

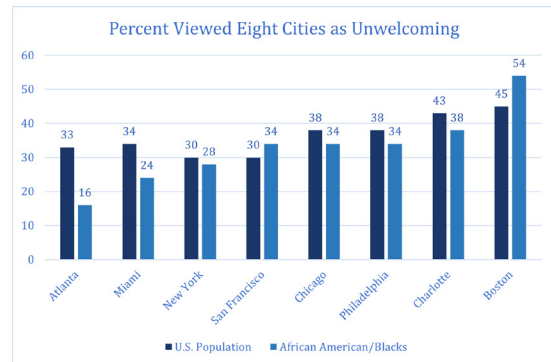
The Boston Globe’s *Boston. Racism. Image. Reality*²⁵ series confirmed this perception. According to survey results from the Globe series, Blacks gave Boston the highest negative rating for being welcoming to people of color out of the eight cities examined (Figure 3). But it was not just Blacks who felt that way. The 2017 survey included 855 U.S. residents over the age of 18 (i.e., representative of the general population) who also agreed that Boston was the least welcoming city to people of color.

It is important to note that only one in five respondents had actually visited Boston, the lowest number of the eight cities included in the survey, and more than 70 percent said they were influenced by what they

saw or heard from other sources. Respondents were influenced by how Boston is portrayed in the news (38 percent), in TV shows and the movies (18 percent), and by the opinions and experiences of friends and family (14 percent). This may be because Boston’s reputation has been tainted by several events spanning decades that garnered national attention.

Busing. The most notable example is the school

Figure 3 – Boston Is the Least Welcoming City²⁶



desegregation protests in the 1970s that resulted from Boston’s failure for almost a decade to comply with a statutory obligation to desegregate its public school system. This noncompliance eventually led to compulsion by a federal judge.²⁷

The anger, violent protests, white flight from Boston public schools that ensued, and an iconic Pulitzer Prize winning photo of a teenager charging a Black man using an American flag as a weapon (below), branded Boston as a racist city.²⁸



Policing Policies. In 2019, Boston released data related to the police policy of stop and frisk which showed that of the 13,665 people stopped, questioned and cataloged by race, 9,975 or 73 percent were listed as Black despite the fact that Blacks comprised only 25 percent of the population.²⁹

Boston City Councilor

²⁴ *Racial Wealth Inequality at the Metropolitan Area and National Levels: Findings and Implications*, Federal Reserve Bank of St. Louis, July 16, 2015, slide 20. Hosted by the Federal Reserve Bank of Boston.

²⁵ The Boston Globe commissioned a national survey to measure people’s perceptions of racism in Boston. Respondents were asked: “Based on all that you have seen or heard about each city, how welcoming or unwelcoming is each to people of color?”

²⁶ MTF produced chart. Data from *Boston in 2017: Perceptions in Racism*, Chadwick, Martin, Bailey, slide 8.

²⁷ In 1965, the Massachusetts legislature passed the Racial Imbalance Act, which required schools with more than 50 percent of one race to desegregate. Of the 55 schools considered racially imbalanced, 45 were in Boston. Despite warnings that integration needed to occur by September 1966, the Boston School Committee refused to comply. In 1974, U.S. District Court Judge Arthur Garrity found that Boston had created two school systems: one for whites and one for blacks. His solution was to force integration through a busing plan developed by the Massachusetts State Board of Education.

²⁸ The photo was published worldwide. As Louis Masur would later write in *The Soiling of Old Glory: The Story of a Photograph that Shocked America*, “In an instant, Forman’s photograph sealed Boston’s reputation as a racist city and shattered the illusion that the country had made progress in race relations.”

²⁹ *Analyze Boston, Data and Resources, FIO Records*.

Andrea Campbell, responding to these results, said: *“The data confirms what Black residents of Boston already knew, that they are disproportionately policed, as are the neighborhoods in which they live.”*³⁰

Shortly thereafter, the Massachusetts Supreme Judicial Court issued three unanimous rulings calling out the systemic bias against Black people by the police.³¹ The court noted:

*“[T]he discriminatory enforcement of traffic laws [is] particularly toxic. Years of data bear out what many have long known from experience: police stop drivers of color disproportionately more often than Caucasian drivers for insignificant violations (or provide no reason at all)... The discriminatory enforcement of traffic laws is not a minor annoyance to those who are racially profiled. To the contrary, these discriminatory practices cause great harm.”*³²

Sports. Perceptions of Boston as a city hostile to Blacks has been aggravated by the history of Boston sports franchise and their fans and in popular culture.

Even though the Celtics were the first NBA team to draft a Black player, start five Black players, and hire a Black coach, Bill Russell, the NBA and Celtics legend who led the Celtics to 11 championships in 13 years, decried Boston in his 1979 memoir, *Second Wind*:

“Boston itself was a flea market of racism. It had all varieties, old and new, and in their most virulent form. The city had corrupt, city hall-crony racists, brick-throwing, send-’em-back-to-Africa racists, and in the university areas phony radical-chic racists. . . Other than that, I liked the city.”³³

- Bill Russell

The Boston Red Sox were the last major league baseball team to integrate, in 1959, and as late as 2017 the Commissioner of Major League Baseball condemned racist taunting of Adam Jones at Fenway Park.³⁴ In response to news in 2020 that Torii Hunter had insisted on a no-trade to Boston clause in his contract dating back to 2002 due to Red Sox fans’ racist behavior, the Red Sox in a statement acknowledged that:

*“Torii Hunter’s experience is real. If you doubt him because you’ve never heard it yourself, take it from us, it happens... There are well-established consequences for fans who use racial slurs and hate speech in our venue, and we know we have more work to do. This small group of fans does not represent who we are, but rather a reflection of larger systemic issues that as an organization we need to address. True change starts from within, and as we identify how we can do better, please know we are listening. We hear you, and we believe you.”*³⁵

Wide national coverage of Boston sports teams has elevated awareness of these racist incidents across the country. In turn, TV shows like *Saturday Night Live* and *The Daily Show*, which target youthful audiences, single out Boston for its racist reputation, further tarnishing Boston’s image among those who might come to study and work here.

Boston’s reputation on racial matters, whether rightfully or wrongfully deserved, is an impediment to its economic vitality, making it difficult to recruit people of color to study or pursue a career here. This history and these perceptions make the work of closing these gaps in Boston and Massachusetts all the more challenging. Promotional campaigns like ‘All Inclusive Boston’ are an excellent start to tell a different story about Boston – but these ads will be effective only if they are supported by actions that promote diversity and eliminate racial disparities.

³⁰ *Data show Boston police stop Black people most often*, Gal Tziperman Lotan, *The Boston Globe*, June 15, 2020.

³¹ See: *COMMONWEALTH vs. TYKORIE EVELYN, MARK S. TINSLEY vs. TOWN OF FRAMINGHAM & others*, and *COMMONWEALTH v. EDWARD LONG*.

³² *COMMONWEALTH v. EDWARD LONG*, March 3, 2020. - September 17, 2020. Present: Gants, C.J., Lenk, Gaziano, Lowy, Budd, Cypher, & Kafker, JJ., pp. 12-13.

³³ *Give Russell his due*, Adrian Walker, *Boston.com*, February 19, 2011.

³⁴ *Manfred: Racist words, actions toward Jones ‘completely unacceptable’*, *The Score*, Bryan McWilliam, May 2, 2017.

³⁵ *Boston Red Sox: ‘Torii Hunter’s experience is real,’ racial slurs were reported 7 times at Fenway Park in 2019*, *MassLive*, Chris Mason, June 10, 2020.

Dan Bernstein, *The Sporting News*, June 10, 2020; <https://twitter.com/RedSox/status/1270829983922098178>

III. Income and Employment

Similar to the net worth statistics outlined in Section 2, the differences in income by race are extreme. According to the 2019 triennial SCF, the median annual income for Blacks and Hispanics in the U.S. was \$40,300 and \$40,700, respectively, significantly less than the \$69,000 earned by whites (Table 4).

Table 4 – Median Income by Race and Ethnicity, 2016 and 2019³⁶

Thousands of 2019 dollars, except as noted			
Family characteristic	Median income		
	2016	2019	Percentage change 2016-2019
Race or ethnicity of respondent			
White non-Hispanic	65.1	69.0	6
Black or African American non-Hispanic	37.6	40.3	7
Hispanic or Latino	40.9	40.7	-1
Other or multiple race	53.9	55.7	3

Although these data are not as current, the difference in median incomes in the Boston MSA was larger than national figures in 2015. Whites in Boston had a median income of \$91,000, more than double the median income of \$41,200 for Blacks.³⁷

In its letter entitled “Disappointing Facts about the Black-White Wage Gap,” the Federal Reserve Bank of San Francisco explained the reasons behind disparate incomes:³⁸

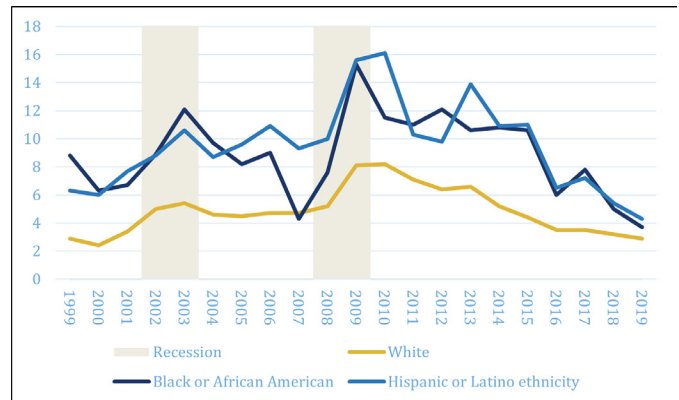
More than half a century since the Civil Rights Act became law, U.S. workers continue to experience different levels of success depending on their race.

“Analysis using microdata on earnings shows that black men and women earn persistently lower wages compared with their white counterparts and that these gaps cannot be fully explained by differences in age, education, job type, or location. Especially troubling is the growing unexplained portion of the divergence in earnings for blacks relative to whites.”

The authors posit that the “unexplained portion” of income disparities is likely caused by discrimination, differences in school quality, or differences in career opportunities. They further state that the difference in unemployment rates between Blacks and whites during periods of recessions shows that “black job seekers face different job opportunities than their white counterparts.”³⁹

The unemployment rates in Massachusetts by race and ethnicity over the past 20 years demonstrate these differences clearly – especially during recessions and recoveries. As shown in Figure 4, Black and Hispanic unemployment rates spiked to double digits in 2002 and again in 2009, twice the rate of whites. Conversely, after 10-years of economic recovery, tightening labor markets drove unemployment rates of Blacks and Hispanics to 20-year lows in 2019.

Figure 4 – Massachusetts Unemployment Rates by Race and Ethnicity, 1999 - 2019⁴⁰



As the Federal Reserve Bank of Dallas recently noted, however, “The benefit that blacks received from the tight labor market in recent years may dissipate as the economy falters.” In other words, Black employees are at risk of being “last hired, first fired.”⁴¹

³⁶ *Changes in U.S. Family Finances from 2016 to 2019: Evidence from the Survey of Consumer Finances*, Board of Governors of the Federal Reserve System, Federal Reserve Bulletin, September 2020, p. 7.

³⁷ *The Color of Wealth in Boston*, Ana Patricia Muñoz, Marlene Kim, Mariko Chang, Regine O. Jackson, Darrick Hamilton, and William A. Darity Jr., A Joint Publication of Duke University, The New School, and the Federal Reserve Bank of Boston, March 25, 2015.

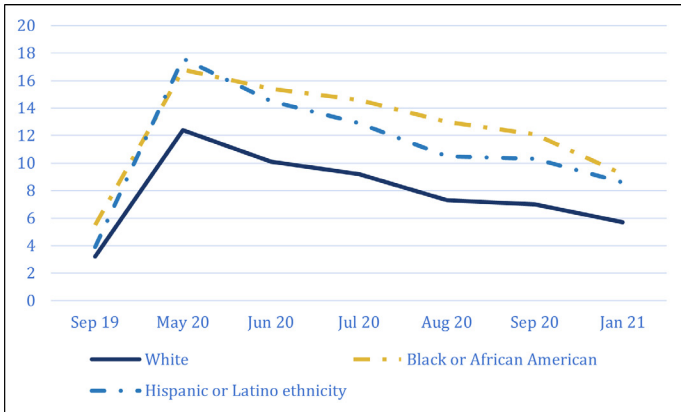
³⁸ *Disappointing Facts about the Black-White Wage Gap*, Mary C. Daly, Bart Hobijn, and Joseph H. Pedtke, FRBSF Economic Letter, September 5, 2017.

³⁹ *Ibid.*

⁴⁰ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, *Expanded State Employment Status Demographic Data*.

⁴¹ *Spotlight: Black Workers at Risk for ‘Last Hired, First Fired’*, Federal Reserve Bank of Dallas, Second Quarter, 2020.

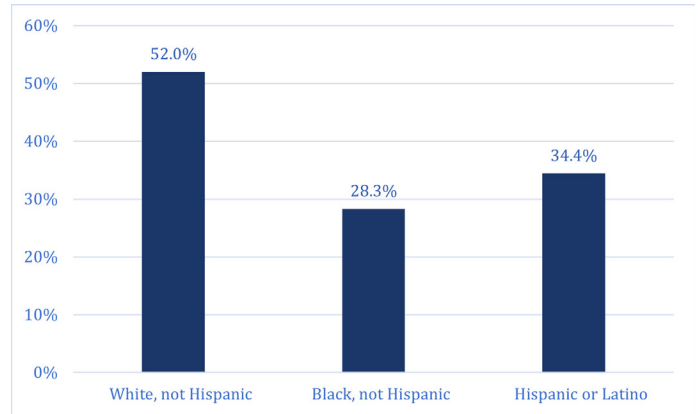
Figure 5 – U.S. Unemployment Rates by Race and Ethnicity, Sept. 2019 – Jan. 2021⁴²



One way to analyze the difference in job opportunities by race and ethnicity is to review telecommuting data. This information can serve as a proxy for office workers and/or white-collar jobs that have been less affected by the pandemic than those jobs that require a physical presence at the workplace, which are disproportionately held by people of color.

According to the January 2021 U.S. Census Bureau’s Household Pulse Survey,⁴³ over half of white respondents in Massachusetts indicated they have worked from home during the pandemic, whereas just over one-quarter of Blacks and one-third of Hispanic indicated that they had done so. This reinforces the conclusion that the impact of the recession on jobs and employment opportunities is felt unequally based in part on the type of employment, with Blacks and people of color disproportionately employed in service industries that require in-person performance (Figure 6).

Figure 6 – Massachusetts Telework – Some or All of Work in Person⁴⁴



But the impact of COVID-19 goes beyond job losses. People have also experienced loss of income from reduced hours or part-time work. According to U.S. Census data (survey conducted January 20 – February 1, 2021), lower-income people have experienced a higher proportion of lost income, as they tend to receive wages for hours worked rather than as salaried employees. Further, when measured by race and ethnicity, Blacks and Hispanics report a higher loss of income from the recession by a significant margin.

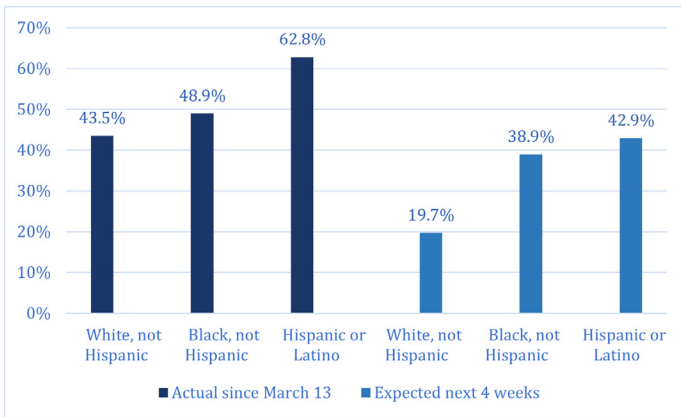
With respect to actual or expected loss of employment, the Census data reveals a discernible gap between the responses from whites and people of color in Massachusetts. Over 60 percent of Hispanics report a loss of income since March 13, 2020, while Blacks and whites are more closely clustered at 49 percent and 44 percent, respectively. However, only one in five whites anticipate a loss of income over the next four weeks, while Hispanic and Black respondents are twice as likely to anticipate future losses (Figure 7).

⁴² THE EMPLOYMENT SITUATION — SEPTEMBER 2020, U.S. BLS, October 2, 2020.

⁴³ 2020 COVID-19 Household Pulse Survey Phase 2, In Field Beginning August 19, 2020, p.8, Question 13a.

⁴⁴ Week 22 Household Pulse Survey: January 6 – January 18, 2021, Transportation Table 1, U.S. Census Bureau

Figure 7: Massachusetts: Experienced and Expected Loss of Income by Race and Ethnicity⁴⁵



Economists at Deloitte Services believe this income gap will grow due to a concentration of low-wage workers in specific sectors of the economy who are experiencing the greatest pandemic-related damage in what looks like a potential lengthy recession. They explain: “Since minorities are also generally overrepresented in low-wage occupations—the very occupations that are hit harder in recessions—this recession will likely impact these minorities far more than their white counterparts. Given the expected severity of the depth and duration of the current recession, the increase in income inequality could be potentially large.”⁴⁶

And it could get worse. Economists have expressed alarm that many jobs lost during the pandemic may never return – especially for mothers, Blacks and Hispanics, and older workers.⁴⁷

IV. Key Societal Institutions That Contribute to Disparities

A. Education

As the previous sections show,

unequal educational attainment is a critical barrier to future economic opportunities and can impede one’s life-long earning potential. In Massachusetts, discrepancies in access and achievement begin as early as Pre-K, continue through middle and high school, and last into college.

Early Education. The benefits of early education are well documented. Preschool can boost children’s language, literacy, and math skills and set them on a path to future educational success. Pre-school is not part of mandatory primary education, requiring parents to pay for this early schooling. For many parents, this cost is prohibitive.

Currently, 36 percent of 3 to 4-year-olds receive support from publicly funded Pre-K programs like Head Start, or a subsidy from the Massachusetts Department of Early Education and Care (EEC)⁴⁸. Other parents must pay for these early education services. This has a greater impact on low-income families, disproportionately disadvantaging young non-white students across the Commonwealth⁴⁹ because 63 percent of young Hispanic children and 54 percent of young Black children live in low-income families, compared to only 18 percent of young white children.

Elementary and Middle Schools. Elementary and middle school standardized test scores show a sizable gap between white, Black and Hispanic achievement that may be partly explained by the differences in access to early education. The National Assessment of Education Progress (NAEP)⁵⁰ tracks performance data broken down by race/ethnicity, with records going back almost 30 years. This allows for an examination of the current gap between whites, Blacks and Hispanics

⁴⁵ *Week 23 Household Pulse Survey: January 20 – February 1, 2021*, Employment Table 1, U.S. Census Bureau.

⁴⁶ *COVID-19’s impact on US income inequality: It’s going to get worse before it gets better*, Patricia Buckley and Akur Barua, Deloitte Insights, Issues by the Numbers, July 2020.

⁴⁷ See for example: *Nearly 11% of the workforce is out of work with no reasonable chance of getting called back to a prior job*, Heidi Shierholz, Economic Policy Institute, June 29, 2020, and *Women’s Careers Could Take Long-Term Hit From Coronavirus Pandemic*, Lauren Weber, The Wall Street Journal, July 15, 2020, and *The Impact of the Coronavirus Recession on Older Workers*, United States Congress, Joint Economic Committee, August 2020.

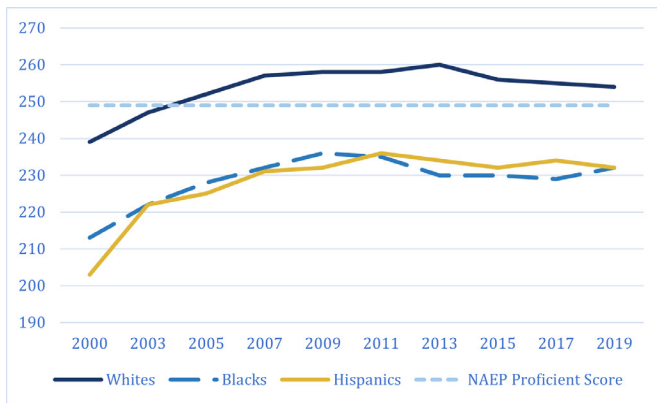
⁴⁸ *Building a Foundation for Success*, Jeff Bernstein and Luc Schuster, Massachusetts Budget and Policy Center, April 7, 2014.

⁴⁹ *Massachusetts Demographics of Young, Low Income Children*, National Center for Children and Poverty.

⁵⁰ *The Nations Report Card: Mathematics*, State Student Group Scores.

on a longitudinal basis and provides a way to measure how the gap has changed over time.

Figure 8 – Massachusetts 4th Grade Math Scores



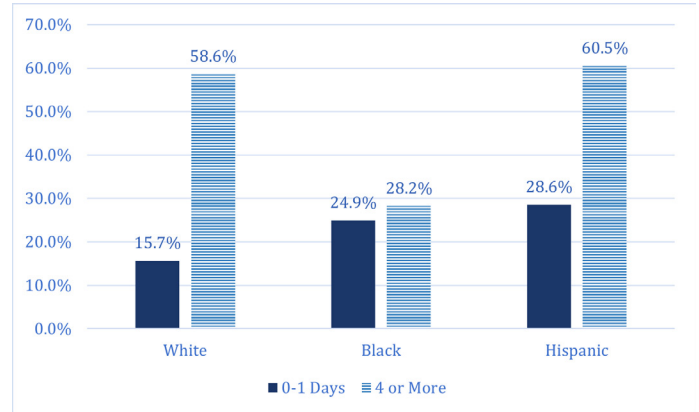
Since the enactment of the 1993 education reform law, student proficiency levels have improved across the board in Massachusetts. However, the gap between white students and students of color persists. In addition, performance for Black and Hispanic students is still well below proficient, while white students' average score has exceeded proficient for almost a decade and a half. While a variety of factors are likely contributing to this continued imbalance, it points to a systemic shortcoming in the education of non-white children in Massachusetts. Massachusetts has invested billions of dollars into schools to address this persistent gap – with limited success.

There is a real cost for not addressing this disparity. Economists have estimated that improving the performance of all students to the basic proficiency level would have both individual and societal benefits. The US GDP would increase by over \$32 trillion, resulting in a 14.6 percent growth rate above current GDP projections for 2095.⁵¹ Equally important, increasing success on these exams would lead to greater earning potential for those students.

The impact of the COVID-19 pandemic could lead to further divergence in proficiency levels. Remote learning and delayed school opening plans are likely to have a disproportionate impact on students of color, as they are less likely to receive in-person teacher interaction. As shown in Figure 9, approximately 60

percent of white and Hispanic students report four or more days of in-person classroom time, while only 28 percent of Black students have the same level of live interaction with teachers.

Figure 9 - Frequency of Live Contact with Teachers in Public or Private School in Last 7 Days⁵²



High School. Unsurprisingly, the discrepancies in test scores that begin in elementary school carry through to high school. Massachusetts requires that students achieve a certain level of performance on the Massachusetts Comprehensive Assessment System (MCAS) examinations in order to graduate. Black and Hispanic scores fall behind white students on this exam. In the class of 2021, just 77 percent of Black students and 73 percent of Hispanic students passed all 3 exams, compared to 92 percent of white students. These results are consistent for the classes of 2020 and 2019.⁵³ Though students who fail the test are allowed to retake it, it can be a barrier to graduation for many. Graduation and dropout rates also vary notably by race and ethnicity (Table 5).⁵⁴

Table 5 – Massachusetts High School Graduation and Dropout Rates, 2019

Race/Ethnicity	2019 High School Graduation Rate	2019 High School Dropout Rate
White	92.7%	3.2%
Black	79.9%	7.2%
Hispanic	74.4%	12.6%
All Students	88.0%	5.3%

⁵¹ *Economic Gains for U.S. States from Educational Reform*, Eric A. Hanushek, Jens Ruhose, Ludger Woessmann, National Bureau of Economic Research, December 2015, p. 25.

⁵² *Week 22 Household Pulse Survey: January 6 – January 21, 2021*, Education Table 1b, U.S. Census Bureau.

⁵³ Massachusetts Department of Elementary and Secondary Education, *Summary of 2019 MCAS State Results*, p.25.

⁵⁴ [Educationdata.org](https://educationdata.org), High School Dropout Rate.

As was demonstrated in Section 2, not earning a high school diploma greatly limits one’s lifetime earning potential and possibly sets children up for a lifetime of financial challenges. In 2018, the national poverty rate for those without a high school diploma was more than double those with a high school diploma (25.9 percent compared to 12.7 percent).⁵⁵

The median annual earnings in April 2021 for those without a high school diploma was \$31,876 or \$9,038 less than those who had completed high school (\$41,184).⁵⁶ The 1,607 additional high school graduates (Table 6) would receive \$15 million more in wages in the first year.

According to a Northeastern University report from the Center of Labor Market Studies, “The average high school dropout will cost taxpayers over \$292,000 (\$375,000 in 2021 dollars when adjusted for inflation) in lower tax revenues, higher cash and in-kind transfer costs, and imposed incarceration costs relative to an average high school graduate.”⁵⁷

Table 6 – Savings to Massachusetts if Dropout Rates Were Equal (\$ millions)

High School Students	White Students	Black Students	Hispanic Students
Total # of students	46,669	7,180	14,043
# of Dropouts in 2019	1,493	517	1,769
Percent of Dropouts	3.2%	7.2%	12.6%
# of Dropouts in 2019 if minority dropout rate was equal to whites’	N/A	230	449
# of Additional Graduates	N/A	287	1,320
Savings if minority dropout rate was equal to whites’ at \$350,000 per student	NA	\$108	\$495

Adjusting these numbers for inflation, the lifetime cost to taxpayers would be reduced by approximately \$603 million per graduating class or approximately \$24 million per year, if we were able to lower the Black and Hispanic dropout rates to the same 3.2 percent level as white students (Table 6).

If Blacks and Hispanics graduated from high school at the same rate as their white peers, increased economic activity from higher wages and tax revenues combined with reduced transfer and incarceration costs would reach \$39 million in the first year. By year five, that figure would increase to nearly \$1 billion as the cumulative effect of additional high school graduates per class grows over time.

College. At the college level, there are notable differences between racial groups in both enrollment and graduation rates. While total enrollment in college declined by 3.6 percent from 2010 - 2018, Blacks and Hispanics bucked that trend in Massachusetts. In public and private institutions, the number of Hispanic or Latino students increased by 44 percent, from 37,810 in 2010 to 54,320 in 2018. Enrollment of Black or African American students, however, increased by just 6 percent, from 37,867 to 40,146 over the same period (Table 7).⁵⁸

Table 7 – Massachusetts Higher Education Enrollment Data, 2010 - 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	505,623	503,678	509,020	501,240	496,593	495,851	492,366	489,681	487,234
Black or African American	37,867	36,947	38,387	38,139	39,648	39,707	39,740	39,715	40,146
Hispanic or Latino	37,810	41,657	43,881	45,931	47,717	49,921	50,805	52,373	54,320
Percent of Total									
Black or African American	7.5%	7.3%	7.5%	7.6%	8.0%	8.0%	8.1%	8.1%	8.2%
Hispanic or Latino	7.5%	8.3%	8.6%	9.2%	9.6%	10.1%	10.3%	10.7%	11.3%

The proportion of total enrollment represented by Blacks increased by 0.7 percentage points during this period, while for Hispanics it grew by 3.6 points. Although this growth is a positive sign, enrolling in college is not the same thing as earning a degree.

Table 8 – Massachusetts Higher Education Graduation Rates, 2013 – 2019

Six-Year Outcomes of Students Who Started at Four-Year Public Institutions, by Race and Ethnicity (2013 - 2019)	
Race/Ethnicity	6 Year Graduation Rate
White	77.6
Black	63.5
Hispanic	64.6

The six-year graduation rate at 4-year public colleges in Massachusetts⁵⁹ shows that both Blacks and Hispanics graduate at a rate roughly 13 percentage points lower than the 77.6 percent rate for whites (Table 8). Nationwide, the gap is sizable as well: six-year graduation rates at 4-year institutions in a 2010 cohort was 64 percent for whites, 40 percent for Blacks, and 54 percent for Hispanics. This difference in graduation rates is extremely important because the benefits of college are largest when a degree is earned. Plus, students who do not graduate could find themselves

⁵⁵ *Income and Poverty in the United States: 2018, Current Population Reports*, Jessica Semega, Melissa Kollar, John Creamer, and Abinash Mohanty, U.S. Census Bureau, Revised June 2020, p.13.

⁵⁶ *Usual Weekly Earnings Summary*, U.S. Bureau of Labor Statistics, April 16, 2021.

⁵⁷ *The Consequences of Dropping Out of High School - Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers*, Andrew Sum, Ishwar Khatiwada, Joseph McLaughlin, With Sheila Palma, Center for Labor Market Studies, Northeastern University, October 2009.

⁵⁸ *National Center for Education Statistics, Integrated Postsecondary Education Data System*, Enrollment trends by race/ethnicity and gender.

⁵⁹ *National Student Clearinghouse, Research Center, Completing College - State - 2019*, March 6, 2019.

further behind financially if they incurred debt to attend.

Completing a bachelor’s degree increases a person’s earning potential significantly. According to the U.S. Bureau of Labor Statistics, the median annual income for full-time workers over age 25 with a high school degree was \$40,612 in January 2021. For those with a bachelor’s degree, the median income was \$73,892.⁶⁰ The effect of these wage differences compounds over the course of one’s working life, making the benefits of earning a degree that much more lucrative.

Table 9 – Estimated Increase in Annual Income from One Graduating Class

Race	Estimated Increase in Income with Equal Levels of Degree Attainment Per Year				
	Number of Students Enrolled (MA Colleges, 2013)	Number of Graduates by 2019 (estimated)	Number of Graduates if Graduation Rate was equal to Whites'	Difference in the Number of Graduates	Estimated Increase in Annual Income
Black	38,139	25,049	29,984	4,935	\$164,236,800
Hispanic	45,931	30,080	36,110	6,030	\$200,678,400
Total	84,070	55,129	66,094	10,965	\$364,915,200

Increasing Black and Hispanic college graduation rates to that of whites could generate nearly \$365 million in additional annual wages per graduating class (Table 9). Compounding the results year after year would lead to billions of dollars in extra tax revenue and millions more in increased purchasing power.

Beyond higher incomes, there are numerous benefits of obtaining a college degree both to individuals and to society⁶¹:

- Lower rates of poverty
- Higher probability of receiving health care through employment
- Greater likelihood of having a retirement plan
- Higher retirement incomes
- Increased job safety
- Lower probability of being unemployed
- Greater life expectancy at age 25
- Lower probability of being in prison
- A greater net lifetime contribution to governments in the form of higher taxes and lower government expenditures equal to more than \$350,000.

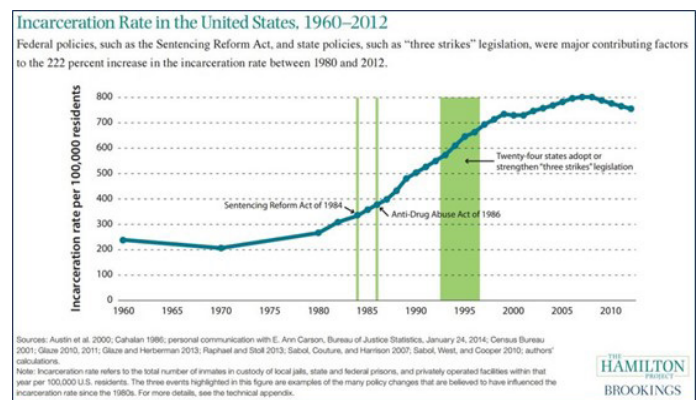
B. Criminal Justice

The disproportionate incarceration of Blacks and Hispanics is another key factor in the perpetuation of racial inequality. The metrics by which we examine equity in the criminal justice system – incarceration rates by race or ethnicity, demographics of the institutionalized population to the general population, differences in the number of charges and convictions for the same crime, and differences in the sentences given to those convicted – all demonstrate that Blacks and Hispanics are incarcerated at far higher rates than their white counterparts.

Growth of Incarceration Rates. For context, it is important to understand that the U.S. criminal justice system dramatically increased incarcerations over the past four decades as a result of deliberate policy choices at the state and national levels. The U.S. pursued a policy of incarceration to promote law and order, which was in direct contrast to the Kerner Commission’s recommendation of “massive and sustained” investments in employment and education. The end result was a seven-fold increase in the prison population from approximately 200,000 in 1968 to over 1.4 million in 2018.⁶²

Today, one out of every five people, or 20 percent, of those incarcerated across the globe are in a U.S. jail, despite the U.S. having only 5 percent of the world’s population.⁶³ And Blacks and Hispanics in the U.S. make up a disproportionate share of them.

Figure 10 – U.S. Incarceration Rates, 1960 - 2012⁶⁴



⁶⁰ *Usual Weekly Earnings Summary*, U.S. Bureau of Labor Statistics, January 21, 2021.

⁶¹ *It’s Not Just the Money: The Benefits of College Education to Individuals and to Society*, Philip Trostel Margaret Chase Smith Policy Center & School of Economics, University of Maine as cited by a report from the Lumina Foundation.

⁶² *Healing Our Divided Society: Investing in America Fifty Years After the Kerner Report*, Executive Summary, 2018.

⁶³ Data source: *World Prison Population List*, Twelfth Edition, Roy Walmsley, Institute for Criminal Policy Research, 2018, p. 18. The U.S. incarceration rate of 655 per 100,000 adults in 2018 is the highest rate in the world with only

⁶⁴ *Ten Economic Facts about Crime and Incarceration in the United States*, Melissa S. Kearney, Benjamin H. Harris, Elisa Jácome, and Lucie Parker, The Hamilton Project, May 2014, p. 14.

As shown in Figure 10, U.S. incarceration rates began to climb around 1980, just before the Sentencing Reform Act of 1984 was enacted. The numbers further accelerated following the Anti-Drug Abuse Act of 1986, growing higher still after the passage of several subsequent anti-crime laws, including the adoption of “three strikes” legislation in numerous states.⁶⁵

Comparing Incarceration Rates by Race or Ethnicity.

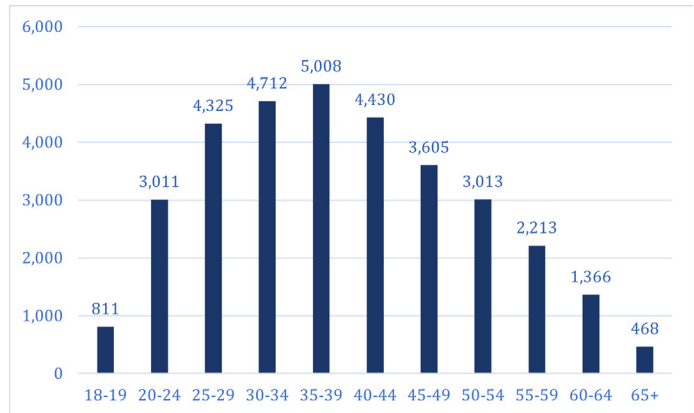
Recent U.S. prisoner population data show that the ratio of Black to white incarceration rates was 5.6:1 in 2018 (1,501 versus 268 per 100,000 adults). This is down from the nearly 7:1 ratio that existed in 2008, but it is far greater than the ratio of Hispanic to white incarceration rates, which hovered between 3.0 and 3:4 for this period (Table 10).

Table 10 – Imprisonment Rates of U.S. Adults, 2008 - 2018⁶⁶

Year*	Per 100,000 U.S. adults			Per 100,000 U.S. adults within each demographic group					
	Total ^B	Federal ^C	State	Male	Female	White ^D	Black ^E	Hispanic	
2008	669	79	590	1,279	90	316	2,196	1,057	
2009	665	80	584	1,271	88	308	2,134	1,060	
2010	656	81	576	1,260	86	307	2,059	1,014	
2011	644	82	562	1,236	84	299	1,973	990	
2012	626	81	545	1,202	82	293	1,873	949	
2013	624	80	544	1,194	83	291	1,817	923	
2014	613	78	535	1,170	84	289	1,754	893	
2015	595	72	523	1,135	82	281	1,670	863	
2016	583	68	514	1,110	82	275	1,609	858	
2017	570	66	504	1,084	81	272	1,553	830	
2018	555	64	491	1,055	80	268	1,501	797	

Incarceration by Age. When we look at incarceration rates by age, the data are even more striking. The incarceration rate for Black males in the U.S. between the ages of 20 and 54 in 2018 was just over 4,000 per 100,000 adults, meaning that approximately one out of every 25 Black men in this age group is in a jail or prison (Figure 11). This staggering figure, when contrasted with that of Hispanic men (1,780 per 100,000 adults) and white men (724 per 100,000 adults), shines a harsh light on the racial variances in the nation’s criminal justice system.

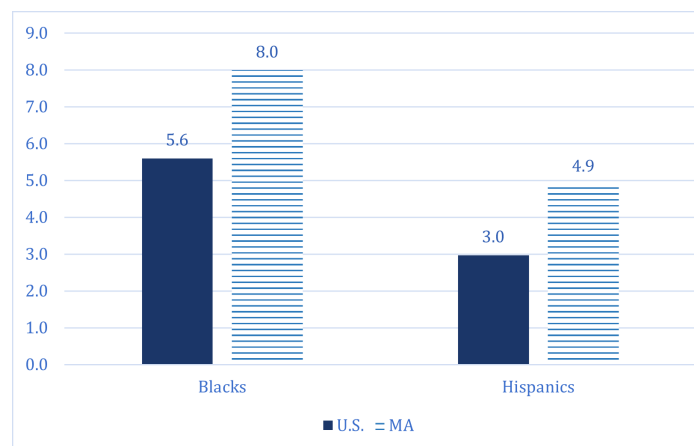
Figure 11 – Black Male Incarceration Rates per 100,000 Adults by Age Group in the U.S.⁶⁷



The Massachusetts incarceration rate of Blacks and Hispanics is even higher than the overall U.S. average.

According to statistics provided by the Massachusetts Sentencing Commission, the ratio of Black to white incarcerations in the Commonwealth in 2016 was 8:1 per 100,000 adults, significantly higher than the U.S. figure of 5.6:1 in 2018. Similarly, Hispanics were incarcerated at a rate of 4.9:1 relative to whites, while the national figure was just 3:1 (Figure 12).⁶⁸

Figure 12 - U.S. and Massachusetts Incarceration Rates per 100,000 of Population



⁶⁵ See for example, *The Growth of Incarceration in the United States. Exploring Causes and Consequences* (2014).

⁶⁶ *Prisoners in 2018*, E. Ann Carson, Ph.D., U.S. Department of Justice, Office of Justice Programs, April 2020, p. 10.

⁶⁷ *Ibid.*, p. 16.

⁶⁸ *Selected Race Statistics*, Massachusetts Sentencing Commission, 2016, p. 2.

Prison population demographics. Looking at this through a different metric – the demographics of the prison population as compared to the general population of Massachusetts – reveals similarly striking disparities.

Table 11 – Massachusetts Prisoner Population by Race/Ethnicity⁶⁹

Race	Number Incarcerated	Percent of general population	Percent of prison population	Ratio Prison to Population
White	3,766	73.7%	43.3%	59%
Black	2,377	7.3%	27.3%	375%
Hispanic	2,291	10.1%	26.4%	261%
Other	258	9.0%	3.0%	33%
Total	8,692	100%	100%	

As shown in Table 11, Blacks and Hispanics together make up 17.4 percent of the general population in Massachusetts but 53.7 percent of those imprisoned. Conversely, whites, who account for 73.7 percent of the general population, represent 43.3 percent of those in prison.

Conviction Rates. Looking at the differences in the number of charges and convictions for the same crimes provides another way to quantify racial inequality. This measure reveals discriminatory practices, as well, with people of color being far more likely to be convicted than whites. Perhaps that is why the current Suffolk County District Attorney Rachael Rollins won election on her platform to decline to prosecute (DTP) 15 misdemeanor/low-level offenses on the notion that people of color were targeted disproportionately.

Work done by the American Civil Liberties Union of Massachusetts (ACLU) bears this out. The ACLU evaluated data regarding the defendant’s race/ethnicity, the charges brought against them, and the disposition of their cases to see if racial disparity affected the outcome. Their findings, displayed in Figure 13, show that, despite the fact that there are nearly 2.5 times as many whites as Blacks living in Suffolk County, the county saw more cases of low-level charges taken to trial that resulted in a disposition for Blacks (6,007) than whites (5,752) in 2013 and 2014.

Figure 13 – DTB Cases Prosecuted to a Disposition in 2013 and 2014⁷⁰

Race	Count	% of Total	% of County Makeup
Asian	266	1.5%	9.1%
Black	6,007	33.7%	24.9%
Hispanic ³⁸	2,543	14.3%	22.9%
Middle Eastern ³⁹	41	0.2%	--
Other	8	0.04%	--
Unknown	148	0.8%	--
White	5,752	32.3%	61.7%
Missing Race Data	3,049	17.1%	--
Total	17,809	--	--

Further, the ACLU discovered that “misdemeanors and low-level felony charges from the proposed DTP list were disproportionately issued against people of color, particularly Black people.” These discrepancies, reproduced in Table 12, show the difference in charges of Blacks and whites for drug possession, resisting arrest, motor vehicle transgressions, and trespassing, with ratios that range from just under 3:1 to 4:1.

Table 12 - Differences in Charges in DTP Categories by Race in Suffolk County (2013-2014)⁷¹ (per 100,000 persons)

Race	Drug possessions			
	with internet to	Resisting Arrest	Motorvehicle	Trespass
White	280	119	321	203
Black	768	395	1,331	663
Percent Difference	274%	332%	415%	327%

A recent Harvard Law School report concurs, stating, “Even after accounting for case severity and a host of other factors, Black and Latinx defendants charged with drug and weapons crimes are more likely to be convicted and sentenced to incarceration and they also receive substantially longer incarceration sentences than similarly situated White defendants.”⁷²

Sentencing Disparities. Discrepancies in sentencing exist at both the national and state levels. As shown in Figure 14, the United States Sentencing Commission found that “Black male offenders received sentences on average 19.1 percent longer than similarly situated White male offenders during the Post-Report period (fiscal years 2012-2016).”⁷³

⁶⁹ *Prisoners in 2018*, E. Ann Carson, Ph.D., U.S. Department of Justice, Bureau of Justice Statistics, April 2020, Appendix Table 2, p. 36.

⁷⁰ *Facts Over Fear – The benefits of declining to prosecute misdemeanor and low-level felony offenses*, Rahsaan Hall and Nasser Eledroos, American Civil Liberties Union (ACLU) of Massachusetts, March 2019, p. 16.

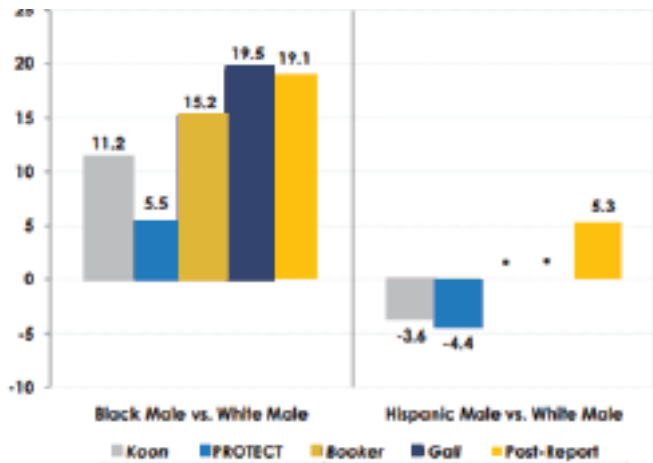
⁷¹ *Ibid.*, p. 19.

⁷² *Racial Disparities in the Massachusetts Criminal System*, Elizabeth Tsai Bishop, Brook Hopkins, Chijindu Obiofuma, and Felix Owusu, Criminal Justice Policy Program, Harvard Law School, September 2020, p. 44.

⁷³ Koon Period - from October 1, 1998 through April 30, 2003. This period relates to cases decided after the Supreme Court’s 1996 decision in *Koon v. United States*. The PROTECT Act period, from May 1, 2003 (the date of the enactment of the PROTECT Act), through June 24, 2004 (the date of the Supreme Court’s decision in *Blakely v. Washington*). The Booker period, from January 12, 2005 (the date of the Supreme Court’s decision in *United States v. Booker*), through December 10, 2007 (the date of the Supreme Court’s decisions in *Kimbrough v. United States* and *Gall v. United States*). The Gall period, from December 11, 2007 through September 30, 2011. The Post-Report period, from October 1, 2011 through September 30, 2016. *Ibid.*, p. 6.

One example of the disparity in sentencing relates to very different federal mandates for similar drugs – crack cocaine and powder cocaine. In 1988, Congress passed a law carrying the same five-year federal prison sentence for the distribution of 5 grams of crack cocaine, a drug found more predominantly in Black neighborhoods, as for the distribution of 500 grams of powder cocaine, a drug more typically found in suburbia.⁷⁴

Figure 14 - Differences in Sentence Length for Male Offenders
Koon, PROTECT, Booker, Gall, and Post-Report Periods⁷⁵
Report Percentage Difference in Sentence Length



Further, the U.S. Sentencing Commission found that in 2016 – the one year for which the commission had data – “Violence in an offender’s criminal history does not appear to account for any of the demographic differences in sentencing.”⁷⁶

Longer sentencing for Blacks occurs in Massachusetts as well. The recently issued report, Racial Disparities in the Massachusetts Criminal Justice System, finds that:

“Black people on average receive sentences that are 31 days longer than their similar White counterparts, a difference that is both statistically significant and practically meaningful. This indicates that much of the disparity in incarceration sentences result from racial differences in the length of incarceration sentences given rather than the overall rate at which defendants are convicted or incarcerated.”⁷⁷

Looking at the national level can help provide more context for the differences in sentencing for similar crimes. A report released by the American Civil Liberties Union (ACLU) examined, among other

things, disparities in the races/ethnicities of prisoners sentenced to life without parole for nonviolent crimes. Nonviolent crimes cover a broad range of offenses, but some examples listed in the report include shoplifting a jacket worth \$159, serving as a middleman in the sale of \$20 of crack to an undercover officer, and shoplifting three belts from a department store.

They determined that in 2013, 65.4 percent of people serving sentences for those crimes in the U.S. were Black, 17.8 percent were white, and 15.7 percent were Latino.⁷⁸ A significant number of those sentences can be tied back to laws requiring mandatory sentencing after a certain number of crimes are committed. Variations of the “three strikes law” have disproportionately imprisoned Blacks for crimes most would agree should not carry such a heavy sentence.

C. Health Care

A quality health care system is a critical component of an equitable society. When considering differences in health care for people of color and whites, three main topics surface: access to health care coverage and services, the quality of services received, and outcomes for patients with similar diagnoses.

Access to Care. Massachusetts provides better access to health care services than any state in the country. In April 2006, Governor Romney signed the Massachusetts Healthcare Reform Bill (Chapter 58) into law. It provided near-universal, affordable insurance to all Massachusetts residents. Four years later, President Obama signed the Affordable Care Act (ACA), expanding health care access by providing subsidized insurance through marketplaces for individuals and small businesses and enhancing Medicaid coverage for participating states.

Both reforms reduced the number of people without health insurance. As shown in Table 13, in 2010, before the ACA, the uninsured rates for the non-elderly population in the U.S. ranged from 13.1 percent for whites to nearly 33 percent for Hispanics. By 2018, the rate of uninsured had fallen significantly for all groups, ranging from 7.5 percent for whites to 19 percent for Hispanics. However, the disparity in coverage between whites and people of color remained unchanged from 2010 (Table 13).

⁷⁴ *Cracking the System: Twenty years of the Unjust Federal Crack Cocaine Law*, American Civil Liberties Union, October 2006.

⁷⁵ *Demographic Differences in Sentencing: An Update to the 2012 Booker Report*, United States Sentencing Commission, p. 8.

⁷⁶ *Ibid.*, p. 2.

⁷⁷ *Racial Disparities in the Massachusetts Criminal System*, Elizabeth Tsai Bishop, Brook Hopkins, Chijindu Obiofuma, Felix Owusu, September 2020, Criminal Justice Policy Program, Harvard Law School.

⁷⁸ *A Living Death—Life without Parole for Nonviolent Offenses*, Jennifer Turner and Will Bunting, ACLU, November 2013

Table 13 – U.S. Uninsured Rates for Nonelderly Population, 2010 - 2018⁷⁹

	2010	2010 Ratio	2018	2018 Ratio
White	13.1%		7.5%	
Black	19.9%	1.5	11.5%	1.5
Hispanic	32.6%	2.5	19.0%	2.5

Massachusetts experienced similar declines after the passage of Chapter 58. In 2005, 8.9 percent of Massachusetts residents were without health insurance, with a range from 7 percent for whites to 23.8 percent for Hispanics (Table 14). Thirteen years later, in 2019, the Center for Health Insurance and Analyses reported that the statewide uninsured rate was 2.9 percent, with a range from 2.2 percent for whites to 7.7 percent for Hispanics.

However, the percentage of people reporting a lack of health insurance at some time during 2019 is remarkably similar to the high numbers of uninsured in 2005 before Chapter 58, especially for Blacks (11.4 percent) and Hispanics (24.4 percent) as compared to whites (4.4 percent). This demonstrates that the goal of universal coverage remains elusive (Table 14).

Table 14 – Massachusetts Uninsured Rates 2005⁸⁰ and 2019⁸¹

	2005	2019	
	Uninsured	Uninsured at time of survey	Uninsured at any time past 12 months
White	7.0%	2.0%	4.4%
Black	11.5%	5.6%	11.4%
Hispanic	23.8%	7.7%	24.4%

Even with significant improvements in health insurance coverage at both the federal and state levels, access barriers remain. As reported by the Kaiser Family Foundation (KFF) in 2019, 13.4 percent of adults in the United States said that they did not visit a doctor due to the cost. The number of Blacks (15.7 percent) and Hispanics (21 percent) indicating cost was a barrier is well above the 10.9 percent reported by white adults (Table 15).

Table 15 - Adults Who Report Not Seeing a Doctor in the Past 12 Months Because of Cost⁸²

	U.S.	MA
White	10.9%	7.0%
Black	15.7%	14.7%
Hispanic	21.0%	15.6%

Massachusetts data demonstrate a similar cost barrier: 8.7 percent of Massachusetts adults skipped a doctor’s visit due to cost in 2019, with roughly twice the percentage of Blacks and Hispanics reporting cost as a barrier as whites.

Quality of Care. Measuring the quality of health care services is a challenging task for any institution, especially if the metrics are to be of practical value. Institutions must account for many irregularities: non-uniformity of data measures among providers, differences in the acuity of the patients, social determinants of health and other external factors, availability of timely and transparent metrics, and exclusion of patients from clinical trials limiting their applicability to different populations. Equally important is the impact of the race/ethnicity and gender of the patient on the quality of service provided.

In addition to health care outcome measures, institutions have employed patient experience surveys to measure services that patients value such as timely appointments, access to information, and communications with health care providers.^{83,84}

In one study, the Household Component of the Medical Expenditure Panel Survey (MEPS-HC)⁸⁵ measured the quality of care from adults who visited a doctor’s office in the past 12 months by asking whether their health care providers listened carefully to them, explained things in a way that they can understand, showed respect for what they had to say, and spent enough time with them.

⁷⁹ *Changes in Health Coverage by Race and Ethnicity since the ACA, 2010-2018*, Samantha Artiga, Kendal Orgera, and Anthony Damico, Kaiser Family Foundation, March 5, 2020.

⁸⁰ *Racial and Ethnic Health Disparities by EOHHS Regions in Massachusetts*, Isabel Caceres, Malena Orejuela Hood, and James K. West, Massachusetts Department of Health, November 2007, p. 83.

⁸¹ *Findings from the 2019 Massachusetts Health Insurance Survey*, Center for Health Insurance and Analyses (CHIA), April 2020, Tables B.1-3 and B. 2-3.

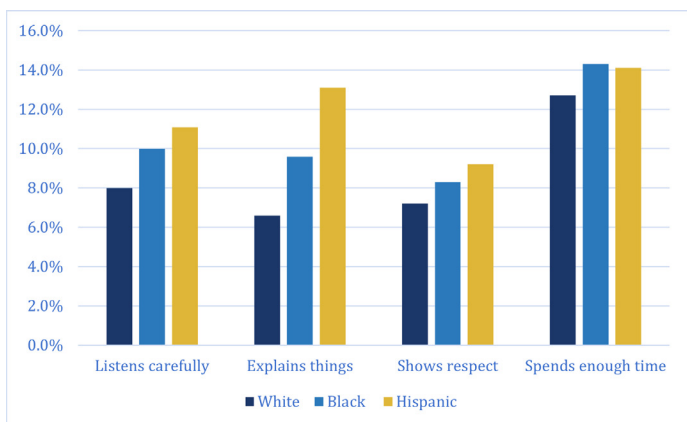
⁸² *Adults Who Report Not Seeing a Doctor in the Past 12 Months Because of Cost*, Kaiser Family Foundation, 2019.

⁸³ See: *HCAHPS: Patients’ Perspectives of Care Survey*, Centers for Medicare and Medicaid Services and *Measuring the patient experience: lessons from other industries*, Brandon Carrus, Jenny Cordina, Whitney Gretz, and Kevin Neher, McKinsey & Company, April 2015.

⁸⁴ “The benefits of healthy physician–patient communication is one of the most durable findings in the medical literature. Evidence of its positive impact on patient outcomes goes back almost 50 years and extends to racially and culturally diverse patient populations and those with low health literacy.” *Variation in patient–provider communication by patient’s race and ethnicity, provider type, and continuity in and site of care: An analysis of data from the Connecticut Health Care Survey*.

⁸⁵ “The MEPS Household Component (MEPS-HC) is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population.”

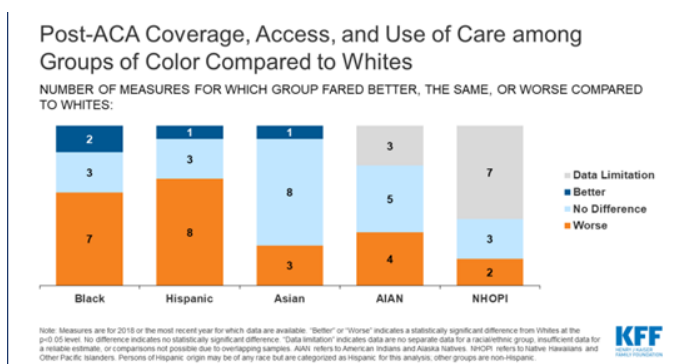
Figure 15 – Adults Whose Health Care Provider Sometimes or Never...⁸⁶



As shown in Figure 15, a higher proportion of Blacks and Hispanics had these negative experiences than did whites.

In a more recent KFF study, the authors summarize that nine years after the ACA and despite many improvements in coverage, access, and use of care, “nonelderly Blacks and Hispanics continued to fare worse than Whites across most examined indicators of coverage, access, and use.” These indicators include the rate of uninsured, the percent of nonelderly adults who did not see a doctor due to costs or for other reasons, and nonelderly adults with no source of care when sick other than the emergency room (Figure 16).⁸⁷

Figure 16 – Change in Access and Use of Care Post ACA Coverage



Patient Outcomes. In 1984, following a practice that dates back to the mid-1970s, Secretary of Health and Human Services Margaret Heckler submitted the annual report on the health status of the nation. A year

later, in 1985, the Report of the Secretary’s Task Force on Black & Minority Health, which would come to be known as the Heckler Report, was released. Reflecting on the 1984 data, Secretary Heckler wrote the following in the introduction:

“That report--like its predecessors--documented significant progress: Americans were living longer, infant mortality had continued to decline--the overall American health picture showed almost uniform improvement.

But, and that “but” signaled a sad and significant fact; there was a continuing disparity in the burden of death and illness experienced by Blacks and other minority Americans as compared with our nation’s population as a whole.

That disparity has existed ever since accurate federal record-keeping began--more than a generation ago. And although our health charts do itemize steady gains in the health status of minority Americans, the stubborn disparity remained--an affront both to our ideals and to the ongoing genius of American medicine.”⁸⁸

The first volume of the ten-volume report summarized the findings of death rates for seven distinct causes by race. As shown in Table 16 (following page), the relative risk of Black deaths per 100,000 population compared with whites from the seven causes ranged from 1.2 (Black male heart disease, Black female cancer, Black female accidents) to 6.6 (Black male homicides). In particular, the report found that the relative risk factor for all causes of death for Blacks was 1.5 times greater than whites. The Heckler Report concluded that these seven medical conditions resulted in 58,942 excess Black deaths.

⁸⁶ *Patient-Provider Communication by Race/Ethnicity and Disability Status: United States, 2007*, Frances M. Chevarley, PhD, February, 2011, Statistical Brief #312, Medical Expenditure Panel Survey.

⁸⁷ *Key Facts on Health and Health Care by Race and Ethnicity*, Samantha Artiga and Kendal Orgera, Kaiser Family Foundation, November 12, 2019.

⁸⁸ *Report of the Secretary’s Task Force on Black & Minority Health*, Margaret M. Heckler, Secretary of Health and Human Services, P. 7

Table 16 – U.S. Age Adjusted Death Rates by Cause, 1980⁸⁹

Age-Adjusted Death Rates by Selected Cause, Race, and Sex United States, 1980 (Rate per 100,000 Population)						
	Black Male	White Male	Relative Risk	Black Female	White Female	Relative Risk
Total Deaths (All Causes)	1,112.8	745.3	1.5	631.1	411.1	1.5
Heart Disease	327.3	277.5	1.2	201.1	134.6	1.5
Stroke	77.5	41.9	1.9	61.7	35.2	1.8
Cancer	229.9	160.5	1.4	129.7	107.7	1.2
Infant Mortality	2,586.7	1,230.3	2.1	2,123.7	962.5	2.2
Homicide	71.9	10.9	6.6	13.7	3.2	4.3
Accidents	82.0	62.3	1.3	25.1	21.4	1.2
Cirrhosis	30.6	15.7	2.0	14.4	7.0	2.1
Diabetes	17.7	9.5	1.9	22.1	8.7	2.5

SOURCE: NCHS, Health: United States, 1983, Tables 9 and 15.

Thirty-three years later, the Kaiser Family Foundation (KFF) measured the Black versus white disparities in deaths resulting from cancer, diabetes, heart disease, and infant mortality. The rates are virtually unchanged since the Heckler Report in 1985, demonstrating a remarkable lack of progress in narrowing the disparities in health outcomes in the U.S. (Table 17).

Table 17 – U.S. Number of Deaths per 100,000 Population by Race, 2018⁹⁰
(Infant Mortality Rate = the number of infant deaths for every 1,000 live births)

U.S.	White	Black	Relative Risk	
			1985 - Heckler Report	2018
Cancer	150.3	168.7	1.3	1.1
Diabetes	19.5	37.6	2.2	1.9
Heart Disease	162.7	203.7	1.3	1.3
Infant Mortality Rate	4.63	10.75	2.1	2.3

In reviewing the outcomes of patients with similar diagnoses in Massachusetts, the data show some improvement. Black deaths from cancer and heart disease have fallen below that of whites since 1985, whereas deaths from diabetes and infant mortality remain quite high.⁹¹ The infant mortality rate for Black infants relative to white infants has fallen very slightly over the past 13 years, from 2.8 times in the 2002-2005

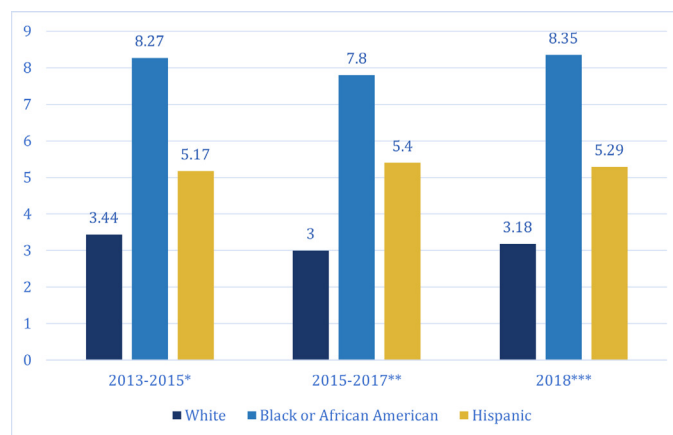
timeframe to 2.6 in 2018. The gap has widened for diabetes. (Table 18).

Table 18 – Massachusetts - Number of Deaths per 100,000 Population by Race, 2018⁹²
(Infant Mortality Rate = the number of infant deaths for every 1,000 live births)

Massachusetts	White	Black	Relative Risk	
			2002 - 2005	2018
Cancer	146.9	123.7	1.1	0.8
Diabetes	14.9	35	2.2	2.3
Heart Disease	135.9	111.4	1.1	0.8
Infant Mortality Rate	3.18	8.35	2.8	2.6

Further, it is important to note that while the infant mortality rate for Black children in Massachusetts (8.35 per 1,000 births) was below the national average (10.75 per 1,000 births), the relative risk between Black and white infants in Massachusetts was greater. In 2018, the ratio in Massachusetts between Blacks and whites was 2.6:1, higher than the national figure of 2.3:1, a disconcerting data point for a state that prides itself on the quality of its health care. (See Figure 17 below for more details.)

Figure 17 – Massachusetts - Infant Mortality Rate by Race and Ethnicity, 2013-2018⁹³
(per 1,000 births)



⁸⁹ Report of the Secretary's Task Force on Black & Minority Health, Margaret M. Heckler Secretary, Department of Health and Human Services, 1985, p. 67.

⁹⁰ State Health Facts, Disparities – Mortality, Kaiser Family Foundation, 2018.

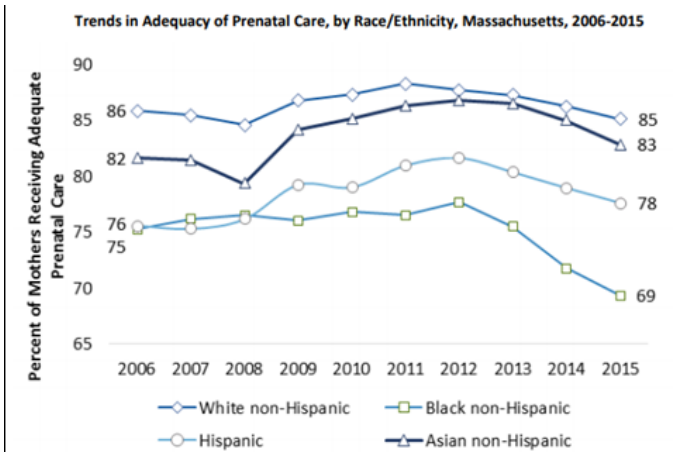
⁹¹ Relative risk compares the risk of a health event (disease, injury, risk factor, or death) among one group with the risk among another group. It does so by dividing the risk in group 1 by the risk in group 2. Source: CDC.

⁹² Ibid.

⁹³ Source: *2013-2015, Center for Disease Control and Prevention, **2015-2017, March of Dimes, ***2018, Kaiser Family Foundation.

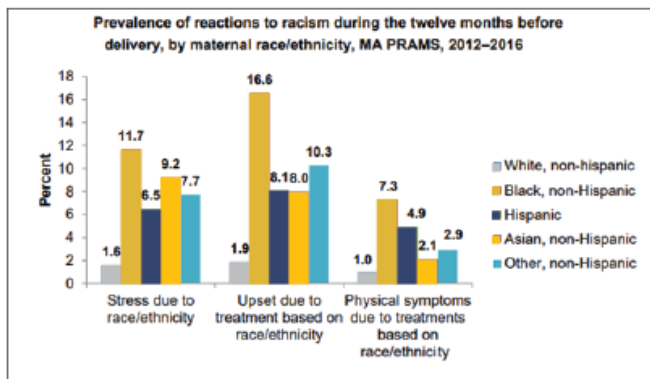
During this period, as noted in the Massachusetts State Health Assessment, the quality of prenatal care has declined, especially for Black non-Hispanic mothers, due to delays in care resulting from not knowing about the pregnancy, not having a MassHealth card, lack of money or insurance, or lack of other resources such as childcare and transportation (Figure 18).⁹⁴

Figure 18 – Adequacy of Prenatal Care in Massachusetts, 2006 - 2015⁹⁵



In addition to a decline in adequate prenatal care, Black women experience significantly higher adverse physical and emotional reactions due to race/ethnicity during the 12 months before delivery, according to the Massachusetts Department of Health (Figure 19).⁹⁶

Figure 19 – Massachusetts: Reactions to Care Before Delivery⁹⁷



⁹⁴ Chapter 2 of the report – *Maternal, Infant, and Child Care* explains possible causes for this decline in prenatal care states “Initiation of prenatal care services during the first trimester has declined over the last decade in Massachusetts. Findings from the 2011 PRAMS (Pregnancy Risk Assessment Monitoring System) survey indicate that about 10% of mothers reported not receiving prenatal care as early as they had wanted. Among those who did not receive prenatal care as early as wanted and entered prenatal care after the first trimester of pregnancy, the top four reasons included: not knowing about the pregnancy (24%); not having a MassHealth card (14%); lack of money or insurance (14%); and lack of transportation, childcare, or inability to take time off from work or school (13%).”

⁹⁵ CHAPTER 2 *Maternal, Infant, and Child Health*, The 2017 Massachusetts State Health Assessment, p. 64.

⁹⁶ “During 2012–2016, Black, non-Hispanic mothers reported the highest prevalence of feeling stressed, upset and experiencing physical symptoms due to racism during the twelve months before delivery (11.7%, 16.6%, and 7.3%, respectively) than White, non-Hispanic mothers. When stratified by race/ethnicity and disability status, the prevalence of feeling stressed, feeling upset, and experiencing physical symptoms was the highest among Black, non-Hispanic mothers with disabilities (24.8%, 30.6% and 14.5%, respectively) and Hispanic mothers with disabilities (16.8%, 21.1%, and 15.2%, respectively).”

⁹⁷ *Massachusetts Pregnancy Risk Assessment Monitoring System (PRAMS) 2012–2016 Surveillance Report*, Massachusetts Department of Public Health, Bureau of Family Health and Nutrition, March 2019, p. 38.

⁹⁸ *Physician-patient racial concordance and disparities in birthing mortality for newborns*, Brad N. Greenwooda, Rachel R. Hardemanb, Laura Huangc, and Aaron Sojournerd, July 16, 2020.

⁹⁹ *Ibid.*, p. 5-7. The study concludes that “Reducing racial disparities in newborn mortality will also require raising awareness among physicians, nurses, and hospital administrators about the prevalence of racial and ethnic disparities, their effects, furthering diversity initiatives, and revisiting organizational routines in low performing hospitals. It is clear that patient-physician racial concordance provides benefits, particularly because of the inequities in clinical care outcomes experienced by Black patients.”

¹⁰⁰ See for example, *A Generation of Bad Blood: New research suggests a strong link between the public revelation of the Tuskegee Study and poor health outcomes for black men*, Vann R. Newkirk II, The Atlantic, June 17, 2016.

¹⁰¹ *More than Tuskegee: Understanding Mistrust about Research Participation*, Darcell P. Scharff et al., March 2015.

¹⁰² *Understanding and Ameliorating Medical Mistrust among Black Americans*, Martha Hostetter and Sarah Klein, The Commonwealth Fund, January 14, 2021.

While the disparities in infant mortality rates between whites and Blacks persist in Massachusetts, other jurisdictions have shown success in closing the gap. A recent study that examined 1.8 million births in Florida between 1992 and 2015 demonstrates that improved outcomes are clearly possible when there is patient-physician concordance.⁹⁸ When Black newborns are cared for by Black physicians, the disparity in infant mortality rate is reduced by half.⁹⁹

Medical Mistrust. Medical mistrust, a suspicion of or lack of trust in medical organizations, has been studied extensively over the years. This mistrust is especially prevalent among people of color based on a litany of bad experiences that is sometimes called “The Tuskegee Effect.”¹⁰⁰ This can cause a fear of participating in medical research because, as one study showed, the term invokes themes of “experimentation, rats, and test tubes” and “guinea pigs.”¹⁰¹ This reluctance to participate in research efforts suggests that (1) clinical trial results may be inapplicable to groups excluded from the study, and (2) the results may lack credibility for excluded populations with great needs.

Figure 20 – Medical Mistrust¹⁰²

Medical Mistrust and Its Impacts

Trust in health care among Americans has declined in recent decades, and it's worse among Black Americans.

Black Americans are more likely than whites to say they **don't trust** their physician

In an October 2020 poll, 7 of 10 Black Americans say they're treated unfairly by the health care system and 55% percent say they distrust it.

Mistrust may prevent people from getting care.

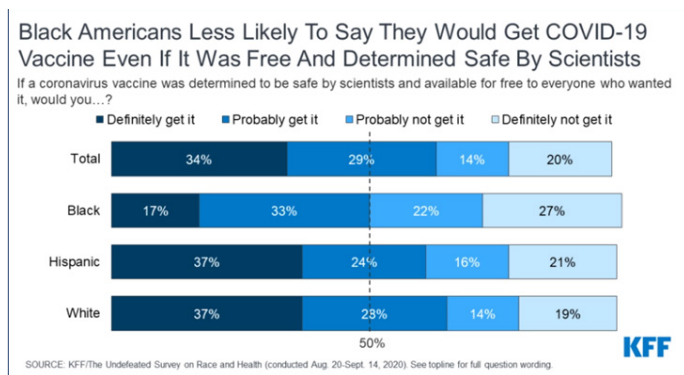
People who say they mistrust health care organizations are **less likely** to take medical advice, keep follow-up appointments, or fill prescriptions.

People who say they mistrust the system are **much more likely** to report being in poor health.

Medical mistrust also inhibits health care engagement. Numerous studies covering Blacks' reluctance with medical care for conditions like HIV, prostate cancer, and breast cancer show the pervasiveness of this mistrust.¹⁰³

One clear and disconcerting example is the expressed reluctance of Blacks to take a coronavirus vaccine. Conducted in October 2020, the KFF/The Undeclared Survey on Race and Health found that, even though Black Americans have been especially hard hit by the pandemic, about half of Black adults say they would be unwilling to take the vaccine – even if it was deemed safe and made freely available (Figure 21).¹⁰⁴

Figure 21 – “If a coronavirus was determined to be safe by scientists and was available for free to everyone who wanted it, would you get it?”



Whites and Hispanics expressed a greater interest in receiving an inoculation in part because they have more faith in the development of the vaccine. 58 percent of whites were “very” or “somewhat” confident in the safety and efficacy of the vaccine, while 60 percent of Blacks said that they were “not too” or “not at all” confident. Further, two-thirds of Blacks did not believe that a coronavirus vaccine would be distributed fairly, while 56 percent of whites thought it would be.¹⁰⁵

Clearly, a distrust of health care organizations plays a significant role in the many health care disparities experienced by people of color in the U.S.

V. The Potential Economic and Fiscal Impacts of Closing the Racial Gap

The Kerner Commission’s 1968 report proposed a national plan of action that called for substantial federal investments in education, housing, and welfare, as well as a jobs training program that would create as many as two million jobs and move the country towards a more integrated society.

There is robust evidence that targeted investment in these areas would lead to substantial economic growth for everyone. As Robert Kaplan, Chair of the Federal Reserve Bank of Dallas, stated recently, “A more inclusive economy where everyone has opportunity will mean faster workforce growth, faster productivity growth, and we’ll grow faster.”¹⁰⁶

The Cost of Disparities in the United States. Two recent reports have quantified the economic costs of racial disparities in the United States.

The first, a study by Citi GPS: Global Perspectives and Solutions group, concludes that real U.S. GDP would have increased by \$16 trillion if racial gaps between Blacks and whites on wages, housing, and investments were closed 20 years ago. Further, if the gaps were closed today, the nation would see a 1.75 percent increase in GDP that would add \$5 trillion of additional growth over five years.¹⁰⁷

Citi GPS estimates that the cost of these gaps totals \$16 trillion, breaking down that figure as follows:

- Closing the wage gap would lead to \$2.7 trillion in additional income.
- Increased access to housing credit would lead to 770,000 additional Black homeowners adding \$218 billion to GDP.
- Increased access to higher education would lead to an additional income of \$90 billion to \$113 billion.
- Increased access to credit to Black entrepreneurs would have led to an additional \$13 trillion in business revenue creating as many as 6.1 million jobs per year.

Note that the \$16 trillion estimate does not include economic benefits from closing the racial wealth gap.¹⁰⁸

¹⁰³ See for example, *Racial/Ethnic Differences in Physician Distrust in the United States*, Katrina Armstrong, MD, MSCE, Karima L. Ravenell, MS, Suzanne McMurphy, PhD, and Mary Putt, ScD, July 2007 or *A Legacy of Mistrust: African Americans and the US Healthcare System*, Lindsay Wells, MD and Arjun Gowda, MD, Proceedings of UCLA Health, June 12, 2020.

¹⁰⁴ *KFF/The Undeclared Survey on Race and Health*, Liz Hamel et al., Kaiser Family Foundation, October 13, 2020.

¹⁰⁵ *Half of black adults say they won't take a coronavirus vaccine*, Lonnae O’Neal, The Undeclared.

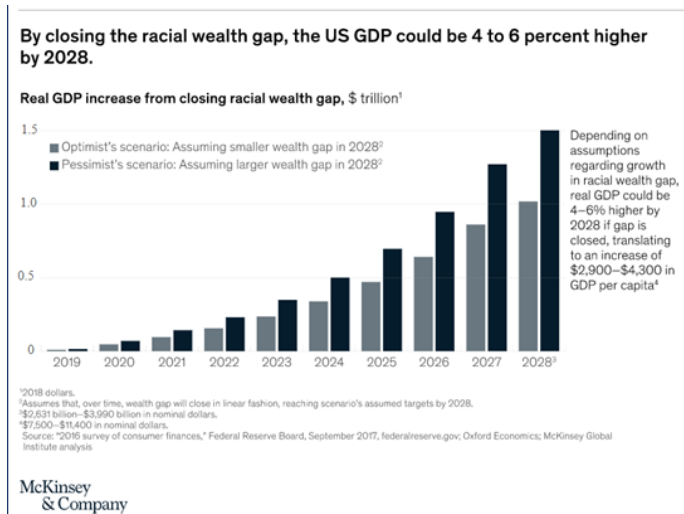
¹⁰⁶ Transcript: Robert Kaplan discusses the economy on “Face the Nation,” June 14, 2020

¹⁰⁷ *Closing the Racial Inequality Gaps, The Economic Costs of Black Inequality in the U.S.*, Citi GPS: Global Perspectives & Solutions, September 2020.

¹⁰⁸ *Ibid.*, p. 36.

A second study by McKinsey & Company shows that closing the wealth gap could increase real U.S. gross domestic product by four to six percent over 10 years. This would expand the U.S. economy by between \$1 trillion and \$1.5 trillion (Figure 22).

Figure 22 - Closing the Racial Wealth Gap Could Add \$1 - \$1.5 Trillion in GDP in 10 Years¹⁰⁹



The Cost of Disparities in Massachusetts. Massachusetts would experience substantial economic growth if it were able to eliminate the racial disparities in education, wages, housing, investments, and wealth.

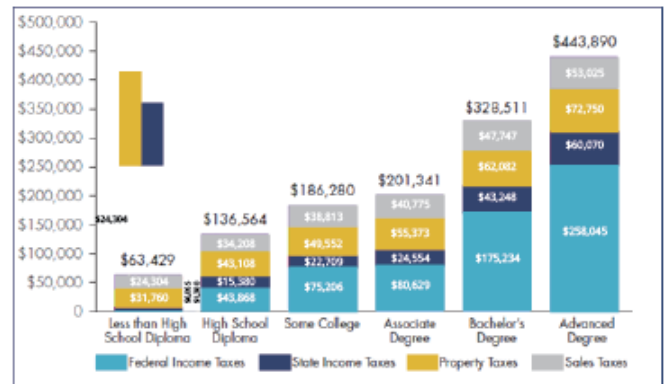
Extrapolating from the Citi GPS and McKinsey results, if Massachusetts were to close the racial divide, its gross state product (GSP) would grow by an estimated 0.85 percent annually, resulting in an increase of \$25 billion over five years.

In addition, as shown earlier, were Massachusetts to eliminate the gap in college graduation rates between whites and Blacks and Hispanics, the state would see a significant jump of \$365 million in additional annual wages per graduating class (see Table 9). Compounding the results year after year would lead to billions of dollars in increased purchasing power (Table 19).

The fiscal impacts are also quite substantial. Local, state and federal governments would benefit from the uptick in income, sales and property tax revenues by closing the degree achievement gap. In fact, a report from the Margaret Chase Smith Policy Center and School of Economics at the University of Maine calculated that an individual with a bachelor's degree

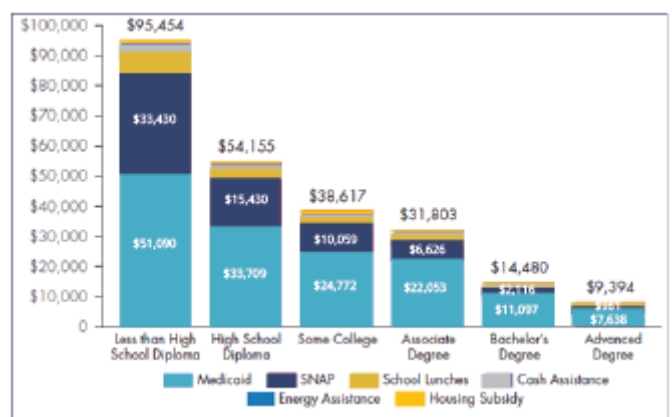
pays roughly \$60,000 more in state taxes (income, sales and property) over his or her lifetime (\$153,277 versus \$92,696) than a person with a high school diploma (Figure 23).

Figure 23 - Lifetime Value - Income, Sales, and Property Tax Revenues per Education Level¹¹⁰



Applying that methodology to Massachusetts, if Blacks and Hispanics graduated from college at the same rate as their white peers (Table 9), the additional 10,965 college degrees in Massachusetts would contribute \$658 million in taxes over their lifetimes or approximately \$22 million in the first year.¹¹¹ And these totals are for just one year's class of students in Massachusetts.

Figure 24 - Lifetime Value - Public Assistance per Educational Level¹¹²



¹⁰⁹ *The economic impacts of closing the racial wealth gap*, McKinsey & Company, August 13, 2019.

¹¹⁰ *It's Not Just the Money: The Benefits of College Education to Individuals and Society*, Philip Trostel, Margaret Chase Smith Policy Center & School of Economics, University of Maine, 2015. (See also: *How Taxpayers Benefit When Students Attain Higher Levels of Education*, The Rand Corporation, 2009.)

¹¹¹ Annual estimate based on lifetime value spread over 30 years.

¹¹² *It's Not Just the Money: The Benefits of College Education to Individuals and Society*, Philip Trostel, Margaret Chase Smith Policy Center & School of Economics, University of Maine, 2015. (See also: *How Taxpayers Benefit When Students Attain Higher Levels of Education*, The Rand Corporation, 2009.)

Further, reliance on safety net services, including SNAP, school lunches, cash assistance, housing assistance, and Medicaid, diminishes with education attainment. An individual with only a high school diploma relies on approximately \$40,000 more in public assistance than someone with a bachelor’s degree (Figure 24). The state would save approximately \$440 million over the lifetime for one cohort of students or approximately \$15 million in the first year¹¹³ if the 10,965 Blacks and Hispanics calculated in Table 9 graduated at the same rate as whites in Massachusetts.

As shown in Table 19,

if Blacks and Hispanics graduated from college at the same rate as their white peers, the increased economic activity resulting from higher wages, more state and local tax collections, and reduced public assistance would exceed \$6 billion over the first five years. The \$6 billion would swell to \$22 billion over 10 years as the cumulative effect of additional college graduates per class grows each year.

Table 19 - Increased Wages, State and Local Tax Collections, and Reduced Public Assistance if Blacks and Hispanics Graduated from College at the Same Rate as their White Peers (\$ Millions)

	Year 1	Year 2	Year 3	Year 4	Year 5	5yr. total	year 6	year 7	year 8	year 9	year 10	10yr. total
Wages	365	730	1,095	1,460	1,825	5,475	2,190	2,555	2,920	3,285	3,650	20,075
State & local taxes	22	44	66	88	110	329	131	153	175	197	219	1,205
Reduced public assistance	15	30	45	60	75	225	90	105	120	135	150	825
Total	402	804	1,206	1,608	2,010	6,029	2,411	2,813	3,215	3,617	4,019	22,105

VI. What’s Next – Examining Inequities, Measuring Change

In 1968, the Kerner Commission report stated: “This is our basic conclusion: Our nation is moving toward two societies, one black, one white--separate and unequal.” Fifty-three years later, little has changed. Huge disparities across virtually every measure of economic

and social conditions endure. Many have worsened over time. The data presented in this report are abundant and overwhelmingly clear. The findings lead to an intractable conclusion – there exists in our society policies and practices that produce unfair outcomes for some, and harmful treatment of others, based on their race.

MTF wrote this report to describe the breadth and depth of racial disparities across several fundamental aspects of our society, and to serve as a baseline to measure progress going forward. We acknowledge that there are many organizations better equipped and more deeply entrenched in the fight against racism, and hope this body of research complements their efforts and constructively contributes to developing solutions.

While there is much work to do, we are heartened by the numerous initiatives underway in recent months and grateful for the broad acceptance and renewed sense of urgency by leaders in the public and private sectors to take action. Our collective actions are crucial to address institutional racism. But actions must lead to quantifiable progress, which demands data and metrics to measure successes and failures.

Going forward, MTF will collaborate with long-standing experts on the topics highlighted in this report – economic growth, health care, housing, education, criminal justice and other relevant areas – to collect and analyze data that can be used to measure change. We will update this report periodically as new data become available. Further, our future research efforts will take account of the potential impacts of policy proposals on underserved communities.

Finally, it is our mission to provide accurate, unbiased research and offer thoughtful recommendations that strengthen the state’s finances and economy and foster the long-term well-being of the Commonwealth. We recognize that this can only occur when all members of society succeed and reach their maximum potential.

We at the Massachusetts Taxpayers Foundation are excited by the opportunity to work with a wide range of groups to measure progress in these efforts and help to make Massachusetts a true Commonwealth – one society that is united, diverse and equal.

¹¹³ Annual estimate based on lifetime value spread over 30 years in Table 19.

This report comports with the Massachusetts Taxpayers Foundation's mission to provide public and private sector decision-makers with accurate, timely, unbiased research and constructive solutions that drive public policy in order to strengthen the State's finances and position the Commonwealth for long-term growth with economic opportunity for all.