



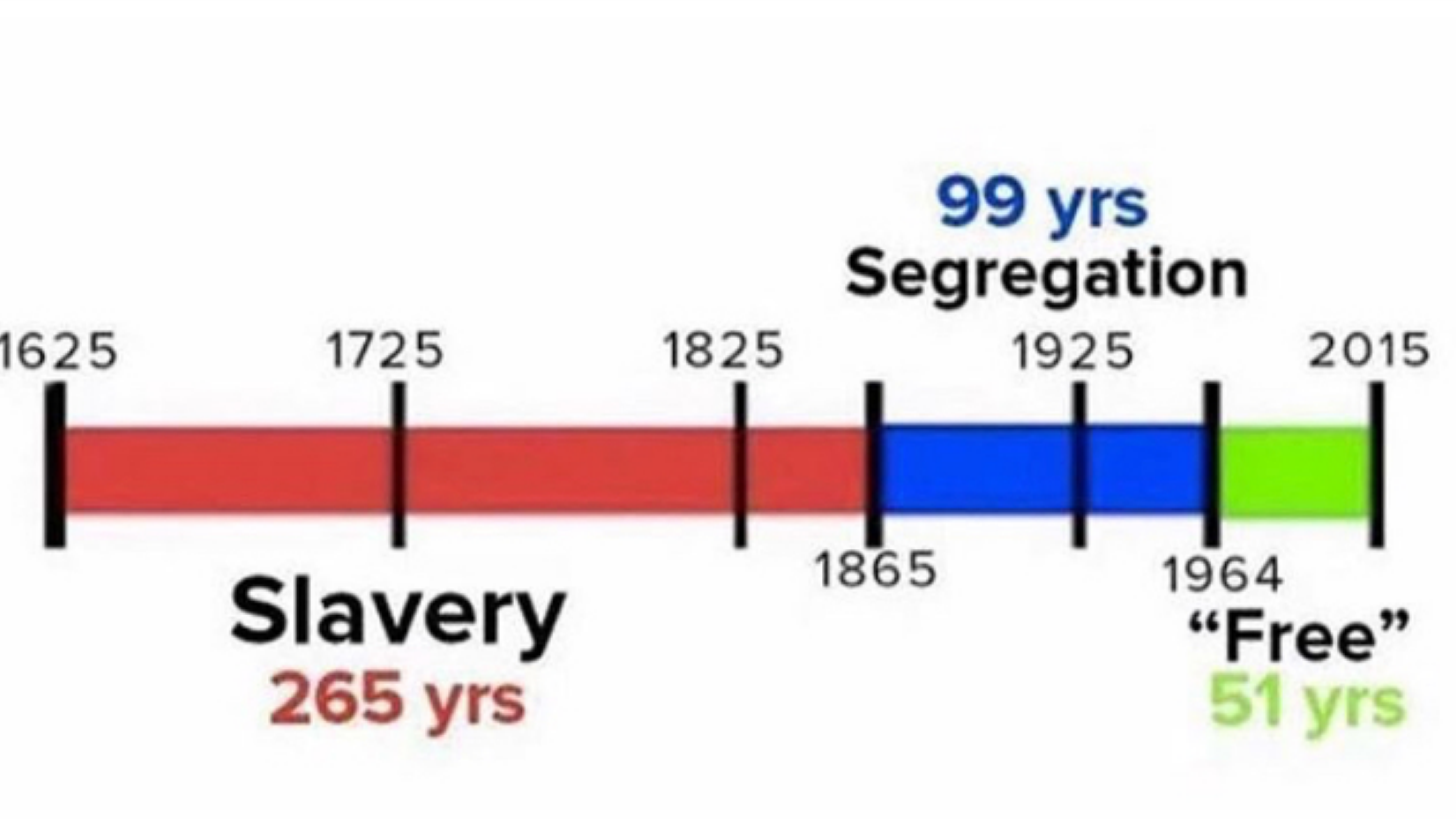
SUNDAY FEBRUARY 11TH 2018

NOTES AND SCRIPTURES FOR
BLACK WEALTH PT1



Black

Wealth



99 yrs
Segregation

Slavery
265 yrs

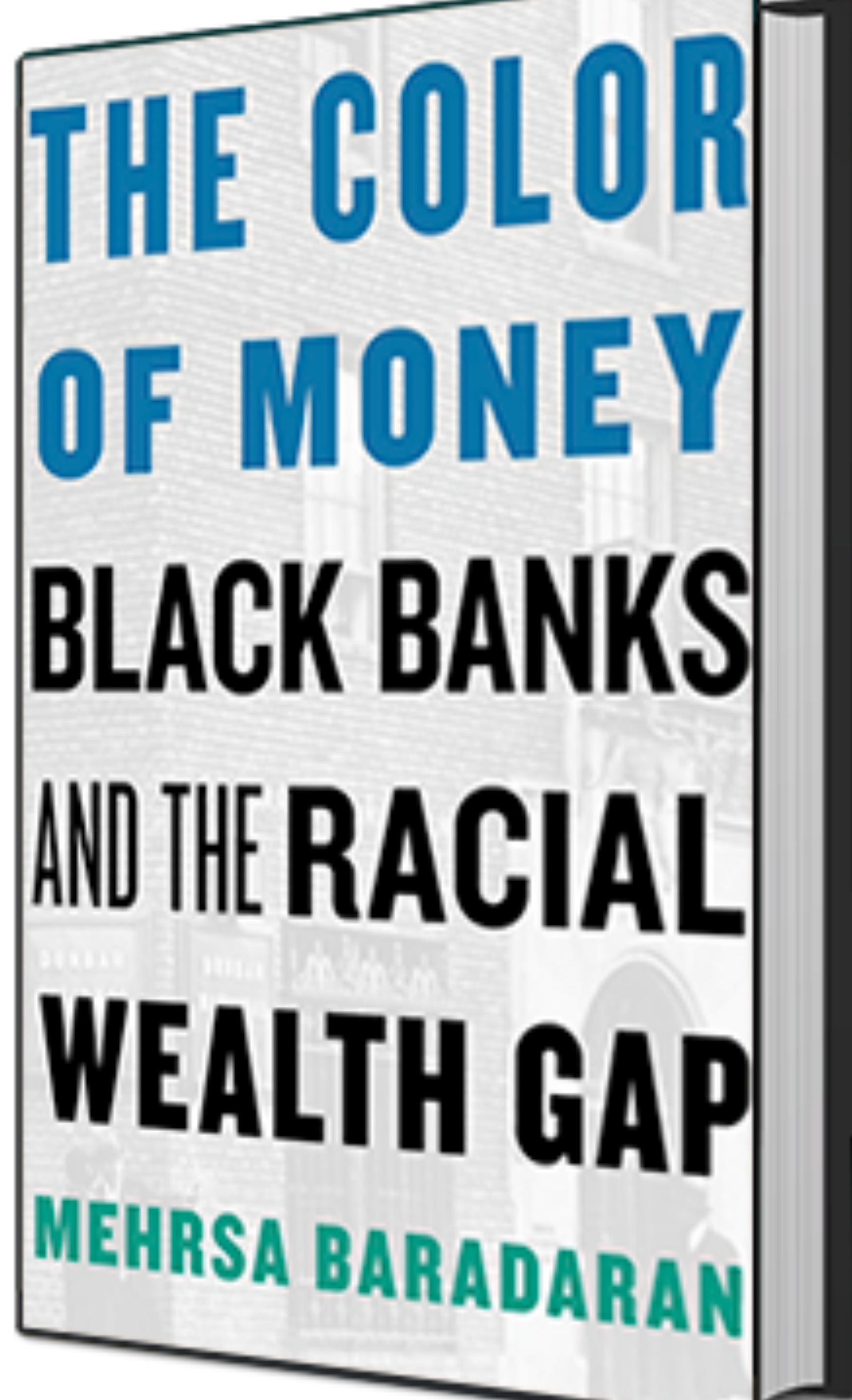
'Free'
51 yrs

40 Acres

and a Mule



**The
Freedmans
Bank**



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[Freedman's Savings Bank](#). That was the first bank, post-slavery. Frederick Douglass told slaves to invest their money, once “forty acres and a mule” was vetoed by Andrew Johnson, they said, ‘*OK, save your money and then you can get land.*’ But the white owners of the bank took all of these deposits by

these freed slaves, their hard-earned money—imagine how hard it was to earn money as a freed slave—and they speculated them in railroad ventures, and they lost them. The money was not backed by the full faith and credit of the federal government. The slaves thought it was. So the money was just gone.

Wikipedia

The **Freedman's Saving and Trust Company**, popularly known as the **Freedman's Savings Bank**, was a private corporation chartered by the **U.S. government** to encourage and guide the economic development of the newly emancipated **African-American** communities in the post-**Civil War**

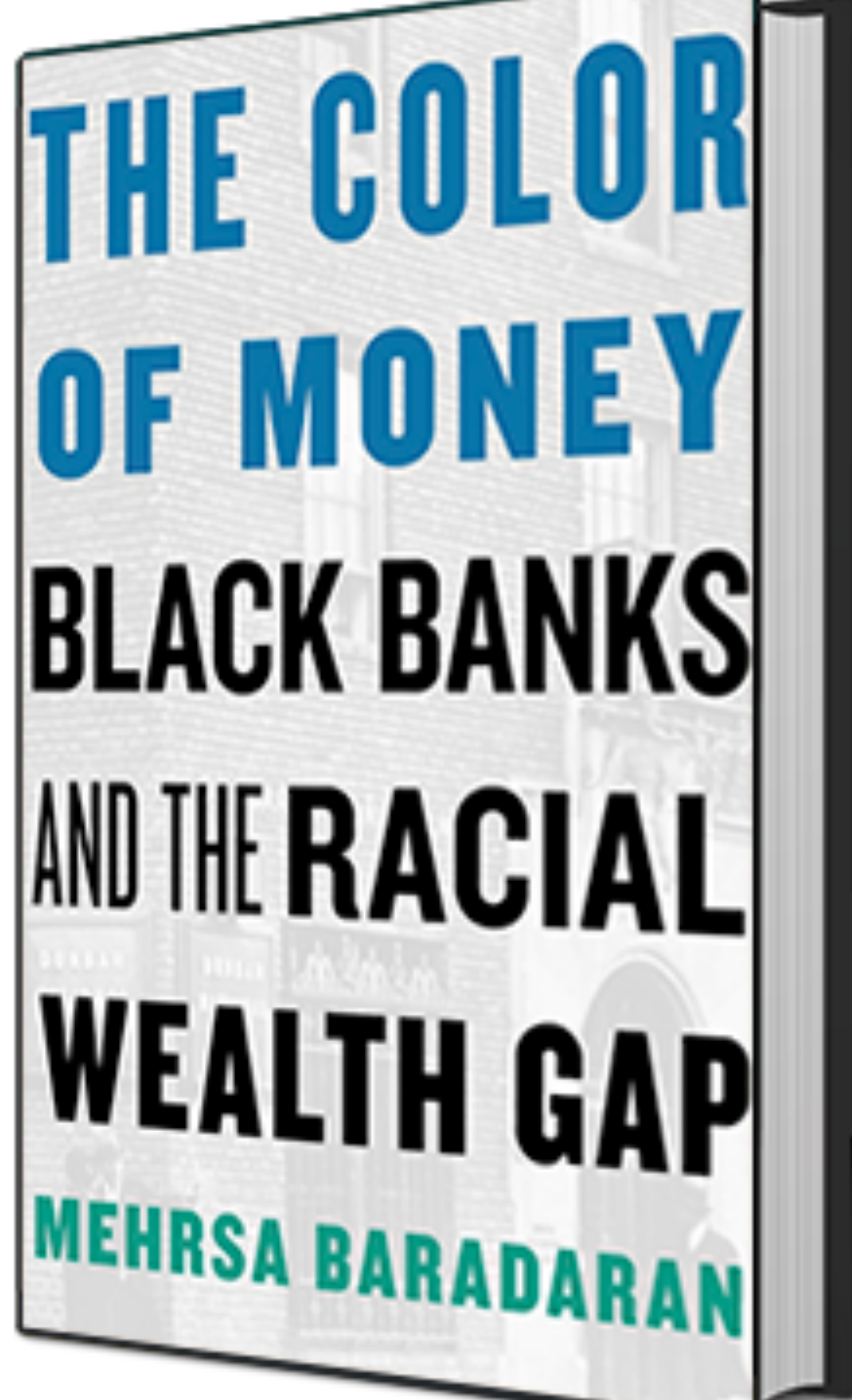
Freedman's Savings Bank



A series of increasingly speculative investments caused the bank to go into debt, while the decision to build a new building in Washington, D.C. added to its financial troubles. An example is the Seneca Sandstone Company, the owner of the [Seneca Quarry](#), which took out unsecured loans from the bank, approved by [Henry D. Cooke](#), who sat on the boards of both the quarry company and the Freedman's Bank.

When the [Panic of 1873](#) struck, the quarry could not repay its debts, which helped undermine the Freedman's Bank. Both institutions went bankrupt, and the bank closed its doors in 1874. A Congressional investigation recommended that Cooke and others be indicted, but that was never followed up.^[3] An 1874 court of inquiry cleared Howard of negligence, but he was transferred to the Northwest by President [Ulysses S. Grant](#).

During the next decade, Congress established a program to reimburse depositors up to 62% of their savings, but many depositors never received any compensation. Some scholars claimed that the failure of the Freedman's Bank and the loss of their savings led to a distrust of all banking institutions for several generations among the black community.^[1]



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Why should black banks solely be focused on this wealth gap? Why don't white banks also take this on? The federal government has been bolstering white banks not just since the New Deal. Look at the recent

financial crisis of 2008. Did not the Federal Reserve and the American taxpayer save these five to eight huge too-big-to-fail banks? That was taxpayer money. Why is that taxpayer money only going to banks that are serving the white community, where banks that serve the black community are relying on the support of just the black community?

Wealth Gap

Redlining

Wikipedia

In the 1960s, sociologist John McKnight coined the term "redlining" to describe the discriminatory practice of fencing off areas where banks would avoid investments based on community demographics.^[8] During the heyday of redlining, the areas most frequently discriminated against were black **inner city** neighborhoods. For example, in

Atlanta in the 1980s, a Pulitzer Prize-winning series of articles by investigative reporter Bill Dedman showed that banks would often lend to lower-income whites but not to middle- or upper-income blacks.^[9] The use of

blacklists is a related mechanism also used by redliners to keep track of groups, areas, and people that the discriminating party feels should be denied business or aid or other transactions. In the academic literature, redlining falls under the broader category of **credit rationing**.

"As a consequence of redlining, neighborhoods that local banks deemed unfit for investment were left underdeveloped or in disrepair. Attempts to improve these neighborhoods with even relatively small-scale business ventures were

commonly obstructed by financial institutions that continued to label the underwriting as too risky or simply rejected them outright. When existing businesses collapsed, new ones were not allowed to replace them, often leaving entire blocks empty and crumbling. Consequently,

African Americans in those neighborhoods were frequently limited in their access to banking, healthcare, retail merchandise, and even groceries."

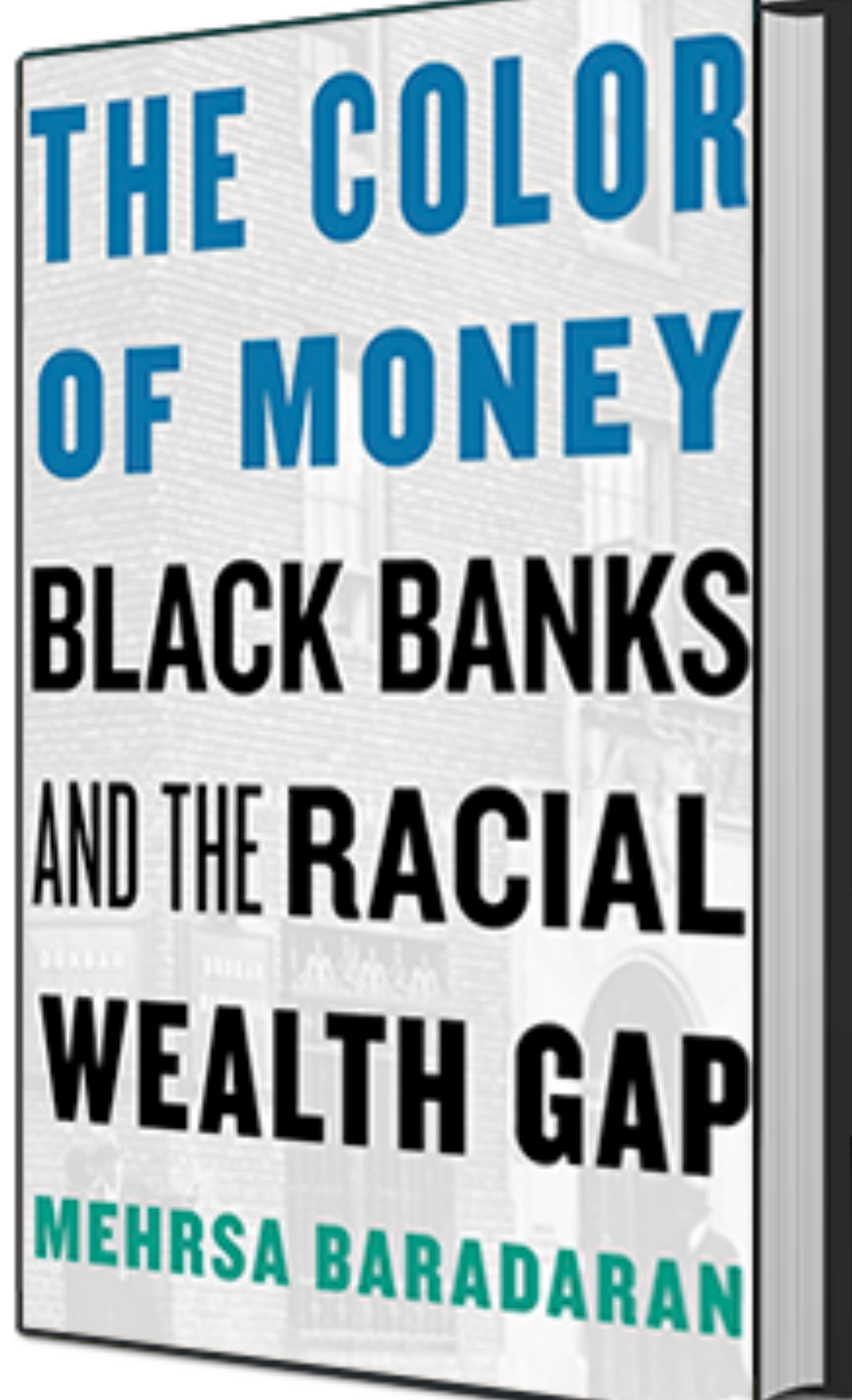
Because areas were redlined residents in them were unable to obtain loans to improve their homes or get loans to move to a different area. Obviously, the neighborhoods had zero investment while neighborhoods around them

improved. When the GI Bill was created during World War II, veterans who once lived in redlined areas were unable to get zero interest loans to build new homes like the rest of the returning soldiers. This forced them to stay in the areas that were poor and uninvested in while the rest of America was growing and moving to the suburbs.^[20] Around

One of the most heinous of these policies **was introduced by the creation of the Federal Housing Administration in 1934, and lasted until 1968.**

Otherwise celebrated for making homeownership accessible to white people by guaranteeing their loans, the

FHA *explicitly* refused to back loans to black people or even other people who lived near black people. As TNC puts it, "Redlining destroyed the possibility of investment wherever black people lived."



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The most important distinction for who could get these mortgages or not was race. They mapped out the country through racial zones. This was explicit, through government programs. This created the white suburbs, and created generational prosperity. It also created the black ghetto. The wealth gap existed before then, because of Jim Crow and

segregation, but in the 20th century these government credit facilities cemented the wealth gap for our generation.

And then there's this cynical and ironic twist that happens in the post-civil rights era. Martin Luther King Jr. is assassinated. JFK is assassinated. Lyndon B. Johnson is out of office. And you have Nixon confronted with this new civil rights coalition, which is the Black Power movement. And this awkward, weird thing happens with black banks, is that they become

this decoy, where Nixon says, 'OK, you want *black power*? You want *wealth*? Here, I'm going to give you *black capitalism*.' And what that means for Nixon is, 'You own the *problem of poverty now*.' After a generation of white Americans gained wealth through these federally subsidized credit structures, all of a sudden Nixon points to the free market, and says to the black community, '*Best of luck*.'

Gentrification

Gentrification is a process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents.^{[1][2]} This is a common and controversial topic in politics and in [urban planning](#).

Gentrification can improve the quality of a neighborhood, while also potentially forcing relocation of current, established residents and businesses, causing them to move from a gentrified area, seeking lower cost housing and stores.

Gentrification often shifts a neighborhood's racial/ethnic composition and average household income by developing new, more expensive housing, businesses and improved resources.^[3] Conversations



**What does
this mean
spiritually?**

James 5:1 (NIV)

Warning to Rich Oppressors

**Now listen, you rich people,
weep and wail because of
the misery that is coming on
you.**

James 5:2 (KJV)

**Your riches are
corrupted, and your
garments are
moth-eaten.**

James 5:3 (KJV)

**Your gold and silver is cankered;
and the rust of them shall be a
witness against you, and shall eat
your flesh as it were fire. Ye have
heaped treasure together for the
last days.**

Proverbs 13:22 (NIV)

A good person leaves an inheritance for their children's children, but a sinner's wealth is stored up for the righteous.

James 5:4 (NIV)

Look! The wages you failed to pay the workers who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty.

Ecclesiastes 2:26a (NIV)

**To the person who pleases him,
God gives wisdom, knowledge and
happiness, but to the sinner he
gives the task of gathering and
storing up wealth to hand it over to
the one who pleases God.**



Wealth Transfer

Exodus 3:21 (KJV)

**And I will give this people
favour in the sight of the
Egyptians: and it shall come
to pass, that, when ye go, ye
shall not go empty:**

Exodus 3:22 (NIV)

Every woman is to ask her neighbor and any woman living in her house for articles of silver and gold and for clothing, which you will put on your sons and daughters. And so you will plunder the Egyptians.”

Psalms 105:37 (KJV)

**He brought them forth also
with silver and gold:
and there was not one feeble
person among their tribes.**

Can't Nobody

do me like

Jesus

Psalms 66:12 (KJV)

**Thou hast caused men to ride
over our heads; we went
through fire and through water:
but thou broughtest us out into
a wealthy place.**

Psalms 66:13 (KJV)

**I will go into thy house
with burnt offerings:**

I will pay thee my vows,

Psalms 66:14 (KJV)

**Which my lips have
uttered, and my mouth
hath spoken, when I was
in trouble.**



Black

Wealth