



SUNDAY PLUS

POLITICS & YOU

NY rep wants \$14 trillion in reparations for Black Americans



Tax Watch
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Rockland/Westchester Journal News
USA TODAY NETWORK

State-sanctioned slavery existed in what became the United States for 246 years. Ten of the nation's first 12 presidents enslaved Black people, including one who engaged in slave trading from the Oval Office.

- Enslaved people — both in the North and the South — helped build our nation and were a foundation of the 18th and 19th century economies. The Hudson Valley's Philipse family, with a mansion in Yonkers and a mill up the river at Philipsburg Manor, made a portion of their fortune through the slave trade.

New York's gradual emancipation in 1799 subjected current slaves to lifelong bondage but granted freedom to those born after 1799 by 1827. National emancipation came in 1865, but freedom for the former slaves did not bring prosperity or the rights enjoyed by other Americans.

U.S. Rep. Jamaal Bowman, D-Yonkers, said it's time for the federal government to finally acknowledge the deep, lasting harms suffered by African Americans. He backs federal legislation that would create a \$14 trillion reparations program to aid the descendants of enslaved Black people and people of African descent.

To put the price-tag in perspective, the federal government spent about \$7 trillion in 2020, about 28% of the nation's \$25 trillion economy.

There are about 42 million African Americans in the United States, representing 12% of our nation's population, according to the 2020 census. That means the proposed reparations program could deliver roughly \$333,000 per person. Bowman said it could be paid over decades.

"Who says the \$14 trillion needs to be paid out in one shot?" said Bowman. "It might be possible for it to be paid out over 5 or 10 or 20 years. You could take that \$333,000 and break it up into monthly checks over X amount of time. There are creative ways to do the right thing and do what needs to be done."

For Bowman, the reparations

discussion encompasses a broad look at racial inequities across American society, including housing, mass incarceration, higher education and wealth inequality.

The bill co-sponsored by Bowman, which was introduced in 2023, comes 35 years after a bill to set up a federal commission to study reparations was first introduced. That bill remains pending and was reintroduced again this year as well.

Bowman's bill, meanwhile, lacks a Senate sponsor, which means it won't advance, even if it passes the U.S. House.

A new reckoning with slavery

The call for federal reparations is part of our country's reckoning with slavery, a reckoning that has found a foothold at historic sites at Philipse Manor Hall in Yonkers and Philipsburgh Manor in Sleepy Hollow.

The house resolution notes that scholars have estimated that the U.S. benefited from 222 million hours of forced labor from 1619 to 1865. That's equal to \$97 trillion in today's dollars, the bill states.

"There were 246 years of free labor that produced trillions or hundreds of trillions of dollars for the U.S. economy," said Bowman. "The economy wouldn't exist in the way it does today if slavery hadn't built it."

See TAX WATCH, Page 19A

For U.S. Rep. Jamaal Bowman, D-Yonkers, the reparations discussion encompasses a broad look at racial inequities across American society, including housing, mass incarceration, higher education and wealth inequality. GETTY IMAGES

1866 civil rights law used to challenge equity policies

Anne D'Innocenzo and Alexandra Olson
ASSOCIATED PRESS

NEW YORK — Opponents of workplace diversity programs are increasingly banking on a section of the Civil Rights Act of 1866 to challenge equity policies as well as funding to minority-owned businesses.

Section 1981 of the act was originally meant to protect formerly enslaved people — or Black people specifically — from economic exclusion. But now the American Alliance for Equal Rights — a group run by Edward Blum, the conservative activist who challenged affirmative action in higher education and won — is citing the section to go after a venture capital fund called the Fearless Fund, which invests in businesses owned by women of color. A federal appeals court temporarily blocked funding for Fearless Fund's grant program as the case proceeds.

Conservative activists have brought lawsuits using the 1981 section against other companies and institutions, including insurance company Progressive and pharmaceutical giant Pfizer. The cases are being monitored carefully as the battle over racial considerations shift to the workplace following the U.S. Supreme Court's June ruling ending affirmative action in college admissions.

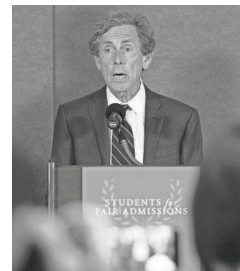
While the 1981 statute had been used well before the latest affirmative action ruling to prove reverse discrimination, Alfonso David, Fearless Fund's legal counsel who serves as president & CEO of The Global Black Economic Forum, said that there's a "coordinated use of Section 1981 now that we did not see before."

Here's what's happening and what the impact could be:

What is Section 1981?

The 1866 Civil Rights Act is a federal law prohibiting discrimination on the basis of race, color, and ethnicity when making and enforcing contracts. Section 1981 specifically grants all individuals within the U.S. jurisdiction the same rights and benefits as "enjoyed by white citizens" regarding contractual relationships.

However, the Supreme Court's 1976 McDonald v. Santa Fe Trail Transportation decision broadened those protections, ruling Section 1981 prohibits racial discrimination in private employment against white people as well as people of color.



Conservative activist Edward Blum is citing Section 1981 of the Civil Rights Act of 1866 to go after a venture capital fund called Fearless Fund, which invests in businesses owned by women of color. JOSE LUIS MAGANA/AP

versity, referring to the use of the 1866 law. "They want to turn civil rights law upside down."

The standard of proof for the 1981 section is high. That's because of the Supreme Court's 2020 decision in Comcast v. National Association of African American-owned Media establishing that the plaintiff who sues for racial discrimination under the section bears the burden of showing that race was the central cause in denying a contract opportunity — as opposed to merely a motivating factor.

Why not rely on Title VII instead?

Title VII of the 1964 Civil Rights Act protects employees and job applicants from employment discrimination based on race, color, religion, sex and national origin. If the plaintiff opts to sue under Title VII, then he or she needs to file a charge with the Equal Employment Opportunity Commission. That's a process that takes up to 180 days. After that, the plaintiff can file a lawsuit. Choosing the 1981 route is much quicker.

Section 1981 is also broader than Title VII, which generally applies to employers who have 15 or more employees, legal experts said. Also under Title VII, a plaintiff can recoup only up to \$300,000 in compensatory and punitive damages total. Section 1981 has no limitation.

Title VII does have a lower standard of proof than Section 1981. Plaintiffs only have to show race was a motivat-

Tax Watch

Continued from Page 18A

Bowman was among nine original sponsors of House Resolution 414 in 2023, which, in a gripping narrative, details the history of enslavement in America, and the vestiges of slavery that the sponsors say continue to inflict harm on Black Americans.

The bill calls for policies that would accompany the monetary awards: free college education at the nation's 107 Historically Black Colleges and Universities, funding for the National Publishers Association and National Association of Black Broadcasters, and restoration of voting rights for persons currently or previously incarcerated.

"I think people incarcerated should be able to vote," said Bowman. "And I definitely think that when they come out, they should automatically be enfranchised."

Reparations on the table

The bill is the latest attempt by Black representatives to promote reparations. Bowman is also a current co-sponsor of House Resolution 40, first introduced in 1989, which would set up a commission to study reparations.

While the federal bill to create a commission has yet to pass, the states of New York and California have authorized such studies, with New York Gov. Kathy Hochul signing a bill to launch a panel in December.

In 2023, the city of Evanston, Illinois approved a reparations program to provide \$10 million over a decade through \$25,000 housing assistance grants to Black residents for down payments, repairs or mortgage payments to atone for racist housing policies in the past. Funding comes from taxes on cannabis and the sales of homes costing more than \$1 million.

The federal government set a precedent for paying reparations in 1988, providing recompense to 82,000 Japanese Americans who were survivors of internment during World War II. That program was on a much smaller scale than contemplated by Bowman's bill, with \$20,000 paid to each survivor.

How to pay for reparations

Bowman maintains the federal government has the wherewithal to pay the tab. He cited the space race in the 1960s and 1970s as well the recent federal response to COVID as examples of how the federal government can respond.

"When COVID was destroying us, we invested in the American people in a way that kept the economy afloat," said Bowman. "The government can invest the same way in reparations without raising taxes on anyone."

He said the government stepped up in the crisis, spending an estimated \$1.6 trillion in 2020, according to U.S. Bureau of Labor Statistics data compiled by USAFacts. That year, the federal government took in \$3.6 trillion in revenue yet spent \$6.6 trillion, adding \$3 trillion to the burgeoning federal deficit.

"Where did the money come from?" Bowman said. "We spent it into existence."

John Buhl at the Urban-Brookings Tax Policy Center, a think tank in Washington, D.C., said the impact of reparations of this magnitude would depend on the financing of the borrowing package, the distribution timetable, as well as possible spending offsets. He noted that reducing poverty among Black Americans would lower demand for federal programs while "addressing longstanding moral issues."

"So it certainly can be done, there are just side effects we would need to prepare for," Buhl said.

Bowman also said that such investments in the Black community could spell dividends for the economy, as well.

He noted that the \$14-trillion price-tag in the bill may be adjusted upward to \$16 trillion to account for inflation that will occur before the bill finally passes.

"Let's say the investment of \$16 trillion will yield \$100 trillion on the back end," Bowman said. "It's just like when you invest in child care. Every dollar you invest in child care yields \$14 on the back end."

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