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Diversity Essay Contest

Lack of Diversity in the Distribution of Wealth in America

Every day, we are inundated with updates about wealthy celebrities, black *and* non-black, who are spending their money frivolously. COVID-19 has highlighted this discrepancy in wealth and the privileges that wealthy people are afforded. People who are struggling to pay bills and put food on the table see celebrities spend tens of thousands of dollars on gold chains and buying multi-million dollar mansions.

There is no identifiable difference in the spending habits of white and black celebrities, but there is a difference in the long-term repercussions of these purchases. For wealthy white individuals, there is typically a way for them to recover from detrimentally irresponsible spending habits. Some of them have centuries worth of generational wealth to fall back on.

Members of the black community are not afforded this same luxury due to hundreds of years of systemic oppression. COVID-19 has hit black communities the hardest due to long standing discriminatory practices that keep African- American people away from wealth, which has resulted in a lack of financial literacy in the black community. Due to this, many African- American people are unaware how to appropriately save *and* spend their money, which results in newfound wealth being spent on materialistic things instead of being put back into their communities.

There is not only a lack of wealth in the black community, but also a lack of knowledge about the distribution of wealth and the implications of generational wealth. These circumstances, many of which have been imposed upon them by oppressive governmental practices, leave many African-Americans with no experience with large amounts of money, regardless of class. This results in frivolous spending on items with no long term value.

For most middle and lower class white people in this society, immediate access to better schooling and housing gives them an educational advantage regardless of their financial status. This sets them up to make more money down the line, and gives them the tools that they need to properly handle the money they make. For upper class white people, any money they receive, even large amounts, isn't seen as new, but rather an addition to wealth they already have. This means that African-American people, by default, are many steps behind when it comes to the accumulation of wealth, which negatively affects every new generation born into these low income black communities.

So, how can we combat this immediate disadvantage?

I believe that first, we need to encourage black celebrities to put money into low income neighborhoods. We need to remember that a bad neighborhood is nearly inescapable without money. We need to stop blaming adults in low income environments for their circumstances, and instead focus on the systemic issues that impose these circumstances upon them. We need to stop making the accumulation of material items synonymous with wealth, and stop pushing the narrative that you need to *look* wealthy in order to *be* wealthy. We need to do better with our money.

Even moderately successful black people should make contributions, no matter how small, to the neighborhoods that raised them. I believe this, along with actively dismantling these expectations for what wealth should look like, will lead to the accumulation of more wealth within and for the black community. I also believe that black people who have access to wealth should be saving, investing, and educating themselves. This isn't to say that black people who have worked to earn their money shouldn't spend it on themselves, though. I believe that even small individual contributions to low income black communities will offset the immediate disadvantages that come with living in these areas.

I also think that we should implement mandatory investment and money management courses into schools in low income communities. Also, encourage and incentivize students in low income communities to apply these skills. Long term, we should streamline the college application process, and teach people how to apply for loans that they won't be paying off for the rest of their lives. We should also provide and advertise easily accessible scholarship opportunities for black students in low income areas.

Attending Penn State is a privilege, and I am well aware of that. Since I'm the first child in my family to go to college, I was tasked with figuring out the application and financial aid process. I was privileged because throughout this process I had resources, like the internet, school counselors, and teachers. Without these tools, I'm unsure how I would've successfully navigated this confusing process. Students in low income communities are tasked with facing this process without this type of help, since they don't have access to all of the resources that I did. This makes their college and scholarship application process extremely difficult.

One important aspect of evening the playing field is giving everyone resources that meet their individual needs. I believe that the implementation of easily accessible college application courses and specialized scholarship opportunities for low income students will make it easier for them to get into and pay for college. I also think that for low income students with no experience handling money, student loans should be discouraged, and they should instead be pushed towards

applications for grants and scholarships. Starting these students off with debt that they will pay off for the rest of their lives seems like punishment for not being born into a wealthy family.

These are a few things that I believe would help with the redistribution of wealth into and within the black community, and many people seem to share this common goal. The issue is that we are centuries behind, and in order to properly catch up, we need to do more than what we're doing now. Advocating for the education of people in low income areas along with proper funding will give us a real shot at creating, maintaining, and properly distributing wealth.